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Berisha Reviews Results of Turkey Visit

AU0704093194 Tirana TVSH Television Network in Albanian 1800 GMT 6 Apr 94

[Interview with Albanian President Sali Berisha by Reis Cico aboard the presidential aircraft returning from Turkey on 6 April—recorded]

[Text] [Announcer] Albanian President Sali Berisha returned home today after his official visit to Turkey.

[Cico] Mr. President, what was the aim of your visit to Turkey?

[Berisha] I visited Turkey at the invitation of President Demirel. The main goal of my visit was to encourage and implement the further development of political, economic, and overall friendly relations between our two countries, as well to discuss regional problems.

I can say that relations between Albania and Turkey are proceeding well and developing quickly. These relations are such because first, there exists a sound and solid foundation for these relations, based on the powerful blood ties existing between Albania and Turkey, as well as on historical and cultural ties. In two years relations at the political level have assumed new dimensions and developed very well. Similarly, relations in technology and other fields are developing very well, quickly, and in a friendly spirit. On the other hand, economic cooperation and relations leave room for strengthening.

When I say economic cooperation, I should stress here that over the last two years, Turkey has given Albania considerable economic assistance, more than 35 million [currency not specified] in humanitarian and other aid. However, there is a lot of room for more economic cooperation. Regarding this, I insisted to both President Demirel and Prime Minister Ciller, as well as in today's meeting with investors in Istanbul, that Turkish investment is very welcome and will play a great role in bringing our two countries together.

[Cico] Mr. President, do you think that the goals of this visit have been achieved?

[Berisha] I think that they have been completely achieved. First, I should say that on a political level, the will is mutual and certain to develop relations further. Both sides are seeing with pleasure the rapid and harmonious development of these relations. In the same way, Albania and Turkey have the same views on the developments in the region. Both countries are making a real contribution to peace and stability on the Balkan peninsula.

Economic issues and problems occupied a special place in our discussions. I particularly insisted that the Turkish Government, the president, and prime minister encourage Turkish investment in Albania. There exists a full judicial basis, and this we improved with the agreement on avoiding double taxation. That is, there exists a judicial basis between the two countries on the rapid development of economic relations. I can say that for Turkish investors, and this point I also stressed in today's meeting in Istanbul, there are many sectors in which they can invest and make large profits in Albania. I insisted on economic ties through investment, because this is precisely the relations that will weld and increasingly strengthen the friendship and cooperation between the two countries.

We discussed the East-West corridor, which is a very powerful artery in the process of Balkan integration. We also discussed the possibility, or I insisted on the possibility, of soft credit on the part of the Turkish Government, so that Albania will be able to use it to set up its infrastructure.

Prime Minister Ciller and President Demirel promised that they would study the possibility of finding a mechanism to create such credit.

We also discussed the expanding and strengthening of air and naval ties. A new Tirana-Ankara airline will soon go into operation. They promised me that they would study the rapid establishment of naval ties. Thus, I think that another horizon is being opened in economic cooperation between our two countries, and I am very optimistic that this cooperation will have a future.

[Cico] Mr. President, do you think that Turkish investment will come to Albania to the extent that it will reach the level of political relations, which you stressed are much better than economic ones?

[Berisha] I hope that Turkish and other investment will come to Albania. I am optimistic that Albania is becoming an increasingly attractive country for foreign investors. Albania offers many advantages: an extremely favorable geographical position, excellent natural resources, a qualified labor force, a profitable labor market, and above all legislation based on freedom for the investor, the freedom of the individual, and the freedom of free enterprise. I think that all these factors, taken together with Albanian hospitality, in fact make Albania a small country geographically, not big from the geographic point of view, but a country with great chances for investment. I see with pleasure that this message is being increasingly clearly understood by Turkish, European, and world business and other circles.

[Cico] After the meetings that you held with top-level Turkish officials, it was declared that Albania and Turkey maintain the same position concerning regional problems. Can you tell us something more concrete about this?

[Berisha] First, I want to stress that Albania and Turkey are deeply interested in peace and stability in the region and have contributed and are contributing in this direction. I can say that Turkey has made a special contribution to the reconciliation between the Croats and Muslims. Months ago, the Turkish Government was engaged in and was one of the first to support the Washington Agreement on the creation of this [Bosnia-Herzegovina]

federation. In this aspect, I am sure that the dispatch of Turkish troops to Bosnia will be a further contribution to the gradual stability of the region.

I would like others to render their own contribution. We particularly expect the Russians to convince the Serbs to join the agreement, because the signing of the agreement by the Serbian side will really be a decisive and very important moment in establishing peace in Bosnia-Herzegovina.

In our talks, we devoted a special place to the solution of the Albanian question. Turkey, or I can say in Turkey, the dimension of this question is very clear. Of course, Albania and Turkey oppose the changing of borders through violence. However, I insist that the crisis in the Balkans cannot be solved without resolving the Kosova problem and without stability in Macedonia [Former Yugoslav Republic of Macedonia—FYROM]. In this aspect, Turkey supports Albania's efforts for a peaceful solution to this problem, just as as it is interested in Macedonian stability.

I can say that we had a complete convergence of views and once again I want to thank my hospitable friends—President Demirel and Prime Minister Ciller—for the very warm and friendly reception that they extended to us.

[Cico] Thank you.

Socialist Party on 'Trumped-Up' Nano Trial

AU0604194194 Tirana Radio Tirana Network in Albanian 1430 GMT 6 Apr 94

[Report by Rezear Xhaxhiu]

[Text] The Nano question was again placed at the center of the news conference that Socialist Party [PS] leaders gave for radio and mass media reporters today.

The statement issued by the General Steering Committee of this party, which was read by Bashkim Zeneli, considered the trial against Fatos Nano as a trumped-up trial that was finalized with an unjust decision.

The statement said that this decision was a logical result of an antidemocratic mentality of the present power and a consequence of the total submission of the judicial power to the political one.

Signed by members of the PS General Steering Committee, the statement considers Fatos Nano being locked in jail as an open wound in the body of Albania. The more it stays so, the statement ends, the worse it will be for Albania and the future of democracy.

Further on, they passed onto questions posed to the trio Pellumbi-Dokle-Zeneli, who addressed the conference.

Asked whether the Council of Europe representatives expressed interest on Nano's trial and the Nano question in general, Mr. Dokle answered that their interest was very special, but he did not prefer to give details of this stance maintained at a meeting that a group of socialist deputies held today with the Council of Europe envoys.

Answering another question, Dokle said that we will follow the judicial course of the Nano question, such as the appeal and the supreme court's verdict, though according to him, they do not cherish any special hope regarding the latter.

Asked whether Nano will remain the PS chairman and whether it is possible for him to lead the party from prison, the deputy chairman of the socialists, Servet Pellumbi, said that it is not a preoccupation whether Fatos Nano should be substituted or not. However, the trial showed that he has not besmirched his figure and the party he leads. That is why, Pellumbi continued, we see no reason to substitute him in the high post appointed by the congress.

He continued saying that the PS has no rigid concept of management by only one person, but in a collegial way. According to Pellumbi, friends have taken it upon themselves to compensate for Nano's absence.

Asked where the PS sees political elements in the Nano's trial, at a time when the indictment, summation, and verdict showed clearly the misappropriation of large sums and the falsification of official documents by Fatos Nano, Namik Dokle answered in a laconic way: The Nano question is a judicial attempt to eliminate the opposition.

In continuation, Pellumbi, Dokle, and Zeneli answered a series of questions from the audience that were related to early elections, the new political steps that the PS will undertake after the conviction of its chairman, its stance toward Albania's acceptance into the Council of Europe, and the existence of factions in the PS. Regarding the latter, Pellumbi answered that this cannot happen in the PS, because this party has been formulated as a real democratic party with free opinions and different stances.

Berov Chairs Cabinet Session on Foreign Debt

AU0704094994 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 7 Apr 94

[Report by Kalina Stancheva on a meeting of Council of Ministers in Sofia on 7 April]

[Text] After his month-long illness, Prime Minister Lyuben Berov appeared today at his workplace. The ministers marked this fact by drinking a glass of cognac to his health, and the prime minister thanked them for their efforts during his absence.

In a meeting behind closed doors, the cabinet heard a report by Finance Minister Stoyan Aleksandrov, chairman of the Government Foreign Debt Commission, regarding the upcoming negotiations with the Paris Club, which a delegation will leave to attend on Tuesday [12 April]. The cabinet approved the position to be put forward by the Bulgarian delegation. No comment was made on the issue of personnel changes in the commission's membership following the resignations of two of its members. According to information obtained from the Council of Ministers, the changes will be made after Antonov and Kunchev have appeared before the cabinet to explain the motives for their resignations.

Because of speculative increases in certain prices, the government decided to add another 12 items to the existing list of 11 kinds of goods and services monitored by the government.

The government decided to follow the course of setting fixed prices for the sale of tobacco products on the domestic market. Keeping in mind the foreign exchange rate and the Customs Duties Act that has recently come into force, the maximum new price of (?45) leva for a pack of cigarettes will apply to imported Rothmans, Marlboro, and Kent cigarettes, while the Bulgarian brands Viktori and Welcome will cost 24 leva a pack, and cigarettes in normal packaging for mass consumption will cost between 7 and 12 leva.

Following the introduction of the 18-percent VAT rate, domestic telephone calls will now cost private subscribers 90 stotinki per unit, and business subscribers—1.18 leva.

Zhelev Meets Former Debt Commission Members

AU0604204494 Sofia Bulgarska Televiziya Network in Bulgarian 1700 GMT 6 Apr 94

[Text] We have just heard from the Presidency Press Center that President of the Republic Zhelyu Zhelev has met with Ventseslav Antonov and Chavdar Kunchev [chairman of Bulgarian Foreign Trade Bank]. They were the principal participants in formulating the strategy and philosophy for conducting the negotiations on settling the Bulgarian foreign debt.

The president expressed his serious concern over the fact that they had left the Foreign Debt Commission. During the conversation, it became clear that the both of their decisions to resign were prompted by fundamental differences with the remaining members of the Commission. In response to Dr. Zhelev's request, both of them will meet with Prime Minister Berov.

Aleksandrov Denies Reports on Army Cuts

AU0604204094 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 6 Apr 94

[Text] Defense Minister Valentin Aleksandrov gave a news briefing today on the results of the meeting of the Supreme Military Council. He announced that the figures given in the mass media on cuts in the army's strength are incorrect and imprecise.

Aleksandrov also signed an order transferring 87 officers from the Defense Ministry and the economic sector to the reserve. The officers in question are over 57 years old and have completed 20 years of service. The minister explicitly stressed that no cuts will take place in the Bulgarian Army, but only retirements.

Turkish Parliamentary Delegation Arrives

Dispatch of Troops to B-H Discussed

AU0404184994 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 4 Apr 94

[Text] Mariya Tsenkova reports on the visit of the Turkish parliamentary delegation led by Husamettin Cindoruk to Bulgaria:

[Tsenkova] The working part of the visit began. In the afternoon Mr. Cindoruk visited the National Assembly and talked with National Assembly Chairman Aleksandur Yordanov.

[Begin Cindoruk recording, in Turkish fading into Bulgarian translation read by Tsenkova] Except for sending Turkish Blue Helmets to Bosnia-Herzegovina, we did not have any other issues on which our opinions were not similar, Cindoruk said. He also added that it was not so much a difference of opinions on that issue but rather a different interpretation of the UN decision.

However, according to Mr. Yordanov, the participation of Turkish blue helmets in the Yugoslav conflict will revive the historical memories of the population in the region. A modern policy cannot be based on memories. According to Aleksandur Yordanov, the Bulgarian position is correct, balancing, and moderate. It requires from all countries to stay away from the conflict, even if they feel equally engaged in the situation in former Yugoslavia.

The positions of the two countries on developing Black Sea economic cooperation also were discussed.

At the moment the Turkish parliamentary delegation is meeting the minister of foreign affairs.

Cindoruk Meets With Senior Officials

TA0504181894 Ankara ANATOLIA in English 1615 GMT 5 Apr 94

[Text] Sofia, April 5 (A.A)—Parliament speaker Husamettin Cindoruk who is currently in Bulgaria held official contacts with senior Bulgarian officials on Tuesday. Bulgaria called for cooperation on struggling with international drug traffic and on terrorism.

Bulgarian acting prime minister and labor and social minister Evgeni Matinchev said Turkish-Bulgarian political relations are improving day by day.

Cindoruk said Turkey and Bulgaria should improve relations and cooperation in every field being a good neighbor adding that Turkey could help Bulgaria on the construction of highways in Bulgaria.

Matinchev called on Turkish initiators to invest in Bulgaria and wanted them to purchase touristic facilities in Bulgaria.

Cindoruk during the meeting conveyed President Suleyman Demirel's invitation for Bulgarian President Zhelyu Zhelev to come to Turkey. Cindoruk and a delegation accompanying him will return to Turkey on Wednesday.

Belgium's Claes Visits, Signs Declaration

AU0404121094 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 4 Apr 94

[Text] The official part of the visit by Willy Claes, Belgium's deputy prime minister and minister of foreign affairs, who arrived in Bulgaria on 3 April, began today. After a meeting and talks at the Ministry of Foreign Affairs with Foreign Minister Stanislav Daskalov, a joint political declaration was signed. The two sides stressed the decisive role that the CSCE process could play in strengthening European security stability and emphasized the importance of the Helsinki conference final document, the Paris Charter on New Europe, the Helsinki document of 1992, and other official documents, the declaration reads.

Claes Received by Zhelev

AU0404202494 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 4 Apr 94

[Text] The situation in the Balkans and the Yugocrisis were among the topics that were discussed between President Zhelyu Zhelev and Willy Claes, Belgium's deputy prime minister and minister of foreign affairs.

Bulgaria's position as a stabilizing factor in the Balkans is highly valued by the Belgian Government, the guest pointed out. Kamen Velichkov, adviser to the president on foreign policy issues, has more information about the meeting:

[Begin Velichkov recording] Issues related to Bulgaria's integration in the European community had a central place in the talk. Dr. Zhelev expressed our country's gratitude for Belgium's position and the personal efforts of Mr. Claes in resolving some of the issues that emerged after the provisional trade agreement and related issues came into force at the end of 1993. Hope was expressed that Belgium will support our country's efforts to obtain an enhanced status in the West European Union, and to be integrated within NATO.

On all those issues a common opinion was expressed that Bulgaria has good prospects regarding gradually joining the European structures. [end recording]

ΩCutbacks, New Line Items in Defense Budget

94P20577A

[Editorial Report] The Czech parliament has approved an (inflation adjusted) 27-billion-koruna [Kc] defense budget for 1994 that reduces previous overall expenditures and reorders defense priorities. Despite the general cutbacks, reports Pavel Jegl in the Prague daily ZEMEDELSKE NOVINY, this year's budget contains new line items for the creation of a rapid deployment force (Kc800 million), the restructuring of logistic systems (Kc500 million), and the modernization of the communications network (Kc300 million). Jegl writes that the Defense Ministry, emphasizing the reduced expenditures in the new budget, has labeled it a "survival budget."

Miroslav Kalousek, the deputy defense minister, has been charged with developing a new system of planning, programming, and budgeting that is compatible with the systems of NATO member countries, notes Jegl. The new system is intended to facilitate the detection of wasteful expenditures and thus reduce costs. It should also make it easier to examine the expense structure, analyze revenue and expenditures, and make rapid budgetary adjustments. Kalousek told Jegl that the Czech military is in the process of redefining the nature of the threats facing the Czech Republic and is designing a force structure to meet such threats. He estimates that this redefinition of the defense system should be completed by the middle of this year.

Crisis in Customs Union With Slovakia Viewed

94CH0192A Bratislava MOSTY in Czech 1 Mar 94 p 9

[Commentary by Jan Rychlik: "What Does Customs Union Actually Mean?"]

[Text] The broader reading public certainly does not require a special introduction to the well-known fairy tale that Jan Werich reworked in a more modern version under the title "Queen Scuder I." And so, merely to refresh memory, I recall the main point: A mountain woman was supposed to come visit the young king "neither on foot nor riding in a cart, neither naked nor dressed, and bring him a gift—which was not a gift." From the Czech viewpoint, this is somehow what even the election program for the currently governing HZDS [Movement for a Democratic Slovakia] looks like, according to which a sovereign Slovakia with independent international standing was to be a component of Czechoslovakia in a common state.

It would seem that certain circles even visualize the functioning of the customs union in a similar manner. This includes not only the attempt by Ministers Ducky and Toth to limit the importation of Czech foodstuffs to Slovakia with the help of introducing special certificates to verify quality (although more than 99 percent of all products are produced in the Czech Republic as well as in Slovakia according to identical standards, and a Czech certification would thus have to suffice), but also the populist criticism by Petr Weiss, who accused the Meciar government, this time absolutely unjustifiably, of having signed the customs union agreement and having thus made it possible for the Czech Republic to export its unemployment to Slovakia, thus depriving the state of $90 million (see PRACE, 17 February 1994).

Translated into intelligible language: Slovak economic circles would like to have such a customs union that would give them access to Czech markets but that would, at the same time, make it impossible for cheaper Czech agricultural production to gain access to Slovakia. As can be seen, this is a project that is similar to the notion that Slovakia can, simultaneously, make use of the advantages of a common state with the Czechs, as well as the advantages of independence. It is interesting that, although developments in 1992 clearly showed that this is impossible, some politicians continue to try to square this circle.

It is time to state some things openly. Customs union means the elimination of all of the quantitative obstacles to mutual trade. The Czech Republic enjoys better conditions for agriculture, and, therefore, its production is and will be cheaper than Slovakia's. Because it does not lie within human capabilities to transform the Tatra Mountains into a fertile Hana [Moravian plain], there is no choice but to come to terms with the given status and to see what the possibilities for solving the problem are. Because the unfavorable balance of mutual trade would soon exhaust the Slovak preserves of foreign exchange, given a clearing type of accounting (as is well known, the debtor must settle any excess in the marginal credit range in freely convertible currency), there are, essentially, only two possibilities: Either Slovakia disbands the customs union and introduces customs duties and import surcharges at its borders, a move by which it would protect its domestic market, or it will devalue its currency, which will make Czech products more expensive in Slovakia and Slovak products less expensive in the Czech Republic, so that Czech production will no longer be capable of competing on the Slovak market. In the first case, this means the introduction of reciprocal measures by the Czech Customs Administration because the Czech Republic has no reason, on the basis of some kind of philanthropic purposes, to permit Slovak goods to enter its market when it cannot export its products to Slovakia. The second possibility is, of course, a politically sensitive matter because it means devaluing the savings of the citizenry, a rise in prices, and inflation. In contrast to what it is possible to read occasionally in various periodicals, the Czech side would not benefit from devaluation, but this would obviously be the cleanest solution to bring about the recovery of Czech-Slovak trade.

In no event do the Czechs desire to counsel Slovakia on what to do. The decision lies fully on the Slovak side, although one thing is clear: The notion that the Czech

Republic and the Slovak Republic will be exchanging, free of customs duties, only the production that the other republic is lacking is absolutely incompatible with the principles of free trade. It was a similar principle, which we did away with with such great pomp, upon which CEMA functioned under communism. The development of the European Economic Area and the successful termination of the negotiations of the Uruguay round of GATT clearly show that the road to Europe does not lead via protectionist measures. The would-be clever mountain woman is, therefore, proceeding very foolishly this time.

Moravcik: 'Integration Links' Army Priority

AU0604125194 Bratislava REPUBLIKA (OBRANA Supplement) in Slovak 31 Mar 94 p 1

[Interview with Prime Minister Jozef Moravcik by "(me)"; place and date not given: "We Have To Be Patriots"]

[Text] In mid-March, the government assumed power in our Republic, rocked by the uncivilized behavior of our politicians, and has six months to go. This is enough for certain things and too little for others. A few minutes after the new prime minister appointed Pavol Kanis deputy minister of the Slovak Republic, we had the opportunity to ask Moravcik several questions. It is up to our readers to decide whether they were the correct ones.

[Correspondent] Sir, what do you think can be done in the defense sector before the elections?

[Moravcik] I believe that we have to use the six months to proceed in the main direction of the development of the Army. I may be influenced by the fact that I was foreign minister. I am mainly stressing integration links. The Army should become more active in that direction—that is, it should continue with the integration trends that have started because our security is based at present on the principle of collective security. Collective security requires integration. This is what I consider the main direction, on which many other things are dependent, as regards the structure of the Army, its training, etc.

[Correspondent] Many of our Army's problems are caused by a lack of funds. Do you believe we will be able to defend the Army's budget when other sectors raise their demands?

[Moravcik] This year, I have no doubt about it. However, there are pressures in this direction. We have to be patriots—that is, we have to keep the Army on at least such a level as permitted by the budget for this year. Next year, we will see. If we can take a tougher step in the economic sphere to prevent the declining trend in national production, we will have more opportunities for the Army. I firmly believe that we will manage it.

[Correspondent] As regards the Army, we have gotten used to the idea that political decisions take precedence over military ones. Do you believe this era has already ended?

[Moravcik] I would not draw a sharp line between military and political decisions. Some decisions are purely military and technical. Politics has no place there. It would be absurd. On the other hand, other important decisions regarding the Army are highly political. I do not see a problem here.

[Correspondent] How do you view the prospects of the Army in the next years to come?

[Moravcik] We have to modernize the Army further. I believe that this trend has already begun and that the Army has become self-confident, which is very important. If the Army becomes even more confident in contacts with other armies of Western Europe—and I believe it will—everything will be all right. We have to proceed in that direction.

Moravcik, Schmoegnerova on State Budget, GDP

LD0604222394 Bratislava STV 1 Television Network in Slovak 1945 GMT 6 Apr 94

[From the "Pressclub" program]

[Excerpts] [Announcer] Good evening, esteemed television viewers. This week's live relay of our Pressclub roundtable is taking place on a different day because the Cabinet, headed by Jozef Moravcik, held its fourth session one day later than usual. The main point on their agenda was an extraordinarily important document—a draft government program statement. After discussing it in detail, the Cabinet approved it at today's session.

I welcome our guests, who are in the studio to brief us about today's session: Prime Minister Jozef Moravcik and Deputy Prime Ministers Brigita Schmoegnerova and Roman Kovac. I also welcome our colleagues, the journalists who accepted our invitation. [passage omitted]

[Announcer] Mr. Prime Minister, could you please assess realistically the situation and risks you took into account when drafting the starting analysis of the program document? [passage omitted]

[Moravcik] From the economic viewpoint, the macroeconomic viewpoint, the most serious problem is probably maintaining the budget—that is, the budget's deficit—on a certain acceptable level. [passage omitted]

What is the situation in this sphere? One considerable negative element is last year's high deficit of the state budget. It amounts to roughly 6.8 percent, if I remember the figure correctly. This means 23 billion korunas [Sk]. If we add other state budget debts, the overall state debt amounts to Sk60 billion. This is a big figure, which indeed represents a certain risk for the future development of our economy. [passage omitted]

The decline of last year's GDP was roughly 4.1 percent. This is also a negative factor in developing our economic policy.

A big discrepancy, a big difference between our export and import, is something very negative, and the Cabinet has to tackle it, to face this problem. Last year our export fell and our import increased. [passage omitted]

[Announcer] Deputy Prime Minister, what are the main macroeconomic objectives of the government's policy statement? [passage omitted]

In the present economic situation, where are the possible sources for the development of the economy?

[Schmoegnerova] As to the first part of your question, we have agreed that in our policy statement we would define the basic macroeconoic objectives in a relatively explicit way. We pledged that we will try to achieve zero growth of the GDP, keep the deficit at the level envisaged for this year, and try to keep inflation within 10 to 13 percent, at most. Also, unemployment must not exceed the limit envisaged in the budget for this year.

Further, we have pledged that, in cooperation with the National Bank of Slovakia, we will try to create conditions to keep foreign currency reserves at a level that will allow normal internal convertibility without any additional measures. Our experience with such measures taken at the beginning of the last year was rather unfavorable.

We have also pledged to retain a positive balance of payments.

[Announcer] Deputy Prime Minister, I would like to ask you what the problems linked to our stand-by loan are. [passage omitted]

Do you think we will succeed and reach an agreement [with the IMF]?

[Schmoegnerova] I think we have never in our history enjoyed such a favorable situation as the current situation we succeeded in bringing about. [passage omitted]

Our current attitude toward the IMF is built on a totally different basis than was the case in the past. This is the first time in our history that we have put forward our own economic policy outline. We have analyzed the risks linked to this economic policy, and we have also presented measures intended to eliminate those risks. This is a different approach from that in the past.

Up to now, it was always the other side that presented us with proposals, and the government accepted them in a passive way. I am not saying that it was a totally passive acceptance, but, in substance, it was passive. This, unfortunately, has applied also to our past dealings with the World Bank, not just with the IMF. [passage omitted]

ΩPrime Minister's Past Reexamined, Revealed

94P20582A

[Editorial Report] Peter Schutz, Kosice-based correspondent of the Prague right-of-center daily DENNI TELEGRAF, claims in his 17 March commentary that Jozef Moravcik, who replaced Vladimir Meciar as Slovakia's prime minister, had been considered "a potential alternative to Meciar" well before his appointment on 16 March, possibly as early as a year ago. To correct the "erroneous" characterization of Moravcik as "one of the 1968 men," Schutz also mentions a number of biographical details, "which quite likely will not be found in Moravcik's official resumes."

Some commentators, writes Schutz, may have been surprised by the emergence of Moravcik as the prime minister. After all, as late as 12 March, halfway through the "hectic" coalition negotiations, [chairman of the Christian Democratic Movement] Jan Carnogursky still believed that, while it looked like [former Deputy Prime Minister] Roman Kovac might be the next Slovak prime minister, Lubomir Fogas [a prominent Party of the Democratic Left deputy] was still in the running, because "the SDL was fighting hard" for Fogas's candidacy. Nevertheless, "knowledgeable observers" were not amazed when Moravcik was finally chosen as the consensus appointee. They remembered, says Schutz, that the March 1993 governmental crisis, which resulted in the ouster of Milan Knazko as foreign minister and his replacement by Moravcik, caused certain circles, "particularly the circle around the Castle" [i.e., around President Michal Kovac], to be alarmed by Meciar's increasing authoritarianism and to begin thinking about replacing him. The choice ultimately fell on the new foreign minister, Moravcik. As an article in the weekly DOMINO EFEKT, 26 March 1993, quoted by Schutz, explained: "It seems that certain influential circles are preparing [Jozef Moravcik] to succeed Meciar. These are the same pressure and interest groups that previously sanctioned Meciar's liquidation of the federation, that supported by all available means his ascent to power, and that assisted him via the information media. Moravcik's joining the government gives him now an excellent chance to start building and then to consolidate his [political] base and offers him enough room for maneuvering until such moment when his time will come." That time, concludes Schutz,"is now."

Schutz argues that it is false to claim, as Moravcik's supporters sometimes do, that he played a role in Alexander Dubcek's 1968 effort to democratize the communist system—the so-called Prague Spring. While Dubcek's actual supporters were expelled from the party, Schutz points out, Moravcik remained a party member and "did not renounce his membership until the end of January 1990." Even as the communist regime was foundering in the winter of 1989-90, Moravcik was "still trying to convince people from Public Against Violence [the post-1989 Slovak anticommunist movement] that the Communist Party represented the only road to a bright tomorrow." Schutz also notes that, "shortly before November 1989, together with the StB [Communist Secret Service] officer Igor Cibula, who today heads Slovak intelligence, [Moravcik] established the Club of the Leninist Iskra (Spark) [an allusion to the name of the newspaper published by Lenin while in exile], an association of Slovak reform communists that was tolerated by the [former] regime. Moravcik sheltered the club at the Bratislava University Law School, where he taught."

It seems likely that Schutz's charges will be exploited by the Meciar forces to score points in the coming election campaign. This is indicated, for instance, by an unsigned editorial that appeared in the pro-Meciar daily REPUBLIKA on 16 March under the title "Founder of Leninist Iskra Club Becomes Prime Minister of Slovakia: Jozef Moravcik and His Developmental Turns."

The editorial presents Moravcik as an ambitious and opportunistic politician with the gift of predicting and calculating the course of political developments. Moravcik is alleged to have developed and honed this gift while "the founder and leading personality of the Club of the Leninist Iskra." It was there that he learned "the methodology of calculation," a methodology focused on "the ultimate goal itself—the grabbing of power"—and driven by "the spirit of Leninist and Bolshevist methods, which had been validated by the success of the legendary October Revolution" of 1917. According to the editorial, Moravcik's interest in gaining power can be traced back through his entire political career. He is said to have made his calculated move first in the Club of Leninist Iskra, when he bet on the Communist Party's turn to reformism, then, while a member of Public Against Violence, when he sided with Meciar's "centrists," and again later, when he assisted Meciar in founding the Movement for a Democratic Slovakia. Allegedly, it was this propensity for calculation that motivated also his very latest move and drove him "to negotiate, behind the back of his movement [i.e. the HZDS] with President Michal Kovac and the leaders of the opposition in order to defeat the government of which he was a member." Thus, writes REPUBLIKA, "with the help and support of college-educated Marxist-Leninists from the Party of the Democratic Left [former Communist Party]," Moravcik has finally reached his goal, "which he had coveted as early as 1989, when he, humble-visaged, huddled at the Leninist circle's bonfire in [the Bratislava] Law School. His development has its logic. From the point of view of Marxist methodology, it is faultless. It is even faultless from the point of view of the power ambitions of those who have put together the current government according to the principle: Shake before use, discard after use."

SDL Chairman Views Political Situation

AU0704070294 Prague DENNI TELEGRAF in Czech 30 Mar 94 pp 1, 5

[Interview with Peter Weiss, chairman of the Party of the Democratic Left, by Robert Casensky and Michal Musil in Bratislava; date not given: "We Are the Only Alternative to Meciar"]

[Text] Peter Weiss, chairman of the Party of the Democratic Left (SDL), is currently one of the most important players on the Slovak political scene. His party has managed to get into the government, yet Weiss himself stays in the background. We asked him about the prospects of future political developments in Slovakia.

[DENNI TELEGRAF] The SDL has managed to get into the government. How would you react to the statement that the communists have returned to power?

[Weiss] It does not bother anyone in the Czech Republic, nor is anyone frightened by the fact that Mr. Dlouhy and Mr. Kocarnik, both of whom are former communists, have now been in power for two years. When, however, communists who have created a new political party assume power, it instantaneously bothers everyone. I would like to hear about a single nondemocratic step ever asserted by the SDL or at least one objection that our economic program is directed against transformation.

[DENNI TELEGRAF] What are you going to do when the Movement for a Democratic Slovakia [HZDS] wins the elections again? Are you afraid of Vladimir Meciar's return to power?

[Weiss] The momentary rise of electoral preferences for the HZDS is associated with the wave of emotions that arose in the wake of Vladimir Meciar's dismissal from the post of prime minister following the president's speech and the former prime minister's speech. However, in the elections, citizens of the Slovak Republic will have to express themselves clearly about which path Slovakia will embark upon: whether it will follow the line of "Civil war rather than the president" [one of the slogans chanted by Meciar's supporters after his dismissal]—that is, the path of political revenge against those who had the courage to democratically pass a vote of no-confidence in the prime minister, the path of populist movements that constantly promise something but never keep their promises, or the path of normal cooperation among political parties that exist in the West. Precisely therein lies the alternative to populist and excessively nationalist policies, confrontational and intransigent policies, the policy of searching for an enemy, a policy that reaches into the arsenal of political techniques applied under the previous regime, by which I mean the evocation of an atmosphere of conspiracy and the labeling of political adversaries as enemies, traitors, and saboteurs. This alternative is represented by the social democratic grouping made up of the SDL, the Social Democratic Party in Slovakia, the Farmers Movement, and, possibly, the Green Party, with respect to which there exists a realistic chance that it will join our coalition. In addition, there is also the Association of Workers of Slovakia, which reflects mainly the sentiments of workers disillusioned with the fact that the promises given to them by Mr. Meciar two years ago have not come true. Even if this association does not join the preelection coalition, postelection cooperation is very realistic. Hence, we do not consider ourselves defeated in advance and are no pessimists. Quite the contrary, we see a realistic chance in this lineup of being able to play at least a drawn game with the HZDS.

Of course, there exists yet another possibility in the form of the Christian Democratic Movement [KDH], possibly an alliance with the Democratic Party, which, in terms of membership, is identical to the former Civic Democratic Union. I do not think, however, that the majority of voters would decide in favor of this alternative. It also remains to be seen what chances the emerging bloc of small liberal-oriented parties of Messrs. Roman Kovac and Jozef Moravcik, Mr. Cernak, and Mr. Knazko will be able to create for itself. If this grouping managed to

gain seats in parliament, it would represent a natural partner for the social democratic political grouping.

[DENNI TELEGRAF] There is talk of disagreements within the SDL, however. There is talk about the existence of a faction that has the support of the members' base and that rejects the SDL's coalition with the KDH.

[Weiss] This is Mr. Meciar's wish. Some zealous correspondents have started spreading it and started to write about a split in the SDL. The fact is that the SDL is the last entity on the political scene that has not split. The first to fall apart was the Public Against Violence movement [VPN], which was followed by the split of the HZDS, the KDH, and the Slovak National Party. Someone evidently objects to the fact that there exists a consolidated political entity with a clear programmatic orientation and headed by politicians who rise above personal ambitions and do not let themselves be provoked to commit some foolishness just to get into the government for a few months. What is being strangely labeled as a conflict within the SDL was just a normal debate in the party leadership and in the Club of Deputies, a debate, conducted at the time when the dismissal of former Prime Minister Meciar and the calling of early parliamentary elections were being considered, about which tactical course of action to choose. The sole cause of disagreements was that some members of the Club of Deputies and members of the SDL leadership did not feel that the guarantees that early elections would be held were sufficient. Subsequently, it turned out that common sense and realism prevailed in parliament and that deputies reached a unique agreement on early elections. The political trauma that the government would not remain in power only until the early elections and that someone would be trying to extend its existence until 1996 ended and so did the discussions within the SDL. Now that we have assumed our share of government responsibility, we want the government to function and deal with problems in a pragmatic way. We have delegated to the government, first and foremost, experts and not political personalities.

[DENNI TELEGRAF] What kind of economic policy does Slovakia need at present?

[Weiss] First of all, it is necessary to realize in what situation the Slovak economy has found itself, including from the viewpoint of the nature of this economy. This economy is capable of supplying a far larger market than it has at its disposal. From this follows the main task—growth of export policy. This means, at the same time, the need to develop economic relations with neighbors, European Union countries, and other countries in the world. The instruments in the monetary and credit sphere must also be oriented so that they promote exports and correspond to the needs of exports.

[DENNI TELEGRAF] Do you think Slovakia can afford the present size of the budget deficit, which is approximately 14 billion [Slovak korunas]?

[Weiss] The deficit projected for this year should be adhered to; it should on no account be exceeded. This deficit must be used for development targets. The present deficit really is unacceptable because we spend it on consumption instead of using it to revive the economy.

[DENNI TELEGRAF] What is your opinion of devaluation? Leaving aside the fact that this step is within the jurisdiction of the bank of issue, do you think Slovakia can avoid this step?

[Weiss] Let us not brandish devaluation as though it were some magic wand, some miraculous device that will resolve all problems of the Slovak economy. The wish to stabilize the Slovak currency prevails, and the National Bank of Slovakia identifies with it. The possibilities of accepting a loan from international monetary institutions are being considered, as well as the risks associated with the acceptance of this loan. Our course of action in talks with the World Bank and the International Monetary Fund will be based on expert arguments, and, at the same time, it must minimize the risks for this government.

[DENNI TELEGRAF] Do you agree that considerations about devaluation are strongly affected by a political factor, the fact that early elections are only a few months away and devaluation is an unpopular measure?

[Weiss] This government's program is not based on devaluation at any cost and under any circumstances. It will consider all of the macroeconomic and social risks of such a step. Moreover, the decision on whether to devalue is made by the National Bank—that is, devaluation is not a political decision made by the government. The National Bank's tendency is to keep the currency stable. Foreign exchange reserves have gone up slightly, and, if everything comes off, a new bonds issue will be prepared. We are not predetermined by fate to experience rapid devaluation.

[DENNI TELEGRAF] Wherein lie the biggest current problems of the Slovak economy?

[Weiss] These are the growing deficit of the state budget and the literally critical situation in education and the health services, caused by the lack of funds, which the new government inherited from the previous one. This government does not want to take the path of delaying inevitable rational measures at any price, just in view of the election campaign. At the same time, however, it naturally does not want to get into a situation where it will be blamed for things for which it is not responsible. We are now going to conduct intensive talks with the social partners. There will be talk of specific figures ensuing from the signing of the general agreement.

[DENNI TELEGRAF] Which party in other postcommunist countries does the SDL resemble most, in your opinion?

[Weiss] The SDL has much in common with the Hungarian Socialist Party, for example, and there are also similarities with the Polish Alliance of the Democratic Left [SLD], though the party's transformation took place under different circumstances there. We also make no secret of our good relations with the Italian Democratic Left Party. Hardly anyone knows that the SDL's name came into being two weeks before the name of the Democratic Left Party in Italy.

[DENNI TELEGRAF] Could you specify in greater detail the similarities between your party and the Polish SLD?

[Weiss] Many identical features exist—above all, in economic policy. Like the SLD's policy, the policy proposed by us is pragmatic, realistic, and, to a large extent, compatible with liberal economic policy. We do not want to fall into the trap of promising something that cannot be fulfilled, as occasionally happens to social democratic policy. We do not want to continue shifting the burden to coming generations. Of course, we have ideas about how to make transformation socially more acceptable and how to distribute the costs of transformation more evenly than has been the case thus far. Some economic burdens that the population is asked to carry can be compensated by noneconomic steps. Savings in some social payments, for example, can be compensated by a greater feeling of safety in the streets. In that case, it is possible to expect certain support from the population. At any rate, it is necessary to speak the truth and not to make any promises. After all, it is not admissible in the name of some short-term political aims to bring about, within six months, an economic situation for the recovery, from which the state will need four years.

[DENNI TELEGRAF] Which party in the Czech Republic is the nearest to you?

[Weiss] The party nearest to me is the Czech Social Democratic Party.

[DENNI TELEGRAF] A part of your members base supposedly calls you a right-wing radical. How do you feel about that?

[Weiss] This is not what the members base says but what some uninformed correspondents write. The members base knows me well, and it voluntarily chose the path I proposed in late 1990, which led to the founding of the SDL at the beginning of 1991. I am in regular contact with party members and do not ascribe great importance to such claims.

[DENNI TELEGRAF] What do you think about communism?

[Weiss] It was a social experiment that defied the principles on which it was built and that foundered for that very reason. It was a method of organizing society that did not manage to produce either greater productivity of labor or a higher standard of civilization or technology and that was even unable to fulfill the proclaimed values of liberation of man and the democratization of society. Quite the contrary, it was precisely in the sphere of human rights that the greatest failure of the communist regime and the greatest denial of the declared humanitarian principles made themselves felt. Our decision to create the SDL was given by the fact that this social experiment simply failed, that the kind of political parties that operated in the former existing socialist societies on the basis of the principle of leading role lost their raison d'etre and justification and that there was no sensible reason to keep them alive. The crisis of communist parties in Western Europe proved us right.

[DENNI TELEGRAF] According to Viliam Plevza's book *Gustav Husak Spoke*, after November 1989, you and Pavol Kanis used to visit the, by that time already isolated, president of the Czechoslovak Socialist Republic at Prague Castle. What did you discuss with him, and what are your recollections of those visits?

[Weiss] I did not see him regularly. In the course of the then developments, we quite clearly recommended to President Husak his immediate resignation.

[DENNI TELEGRAF] What kind of foreign policy should Slovakia pursue, and how should Slovak foreign policy approach the question of NATO membership? Are you afraid of developments in Russia in this context?

[Weiss] The SDL was the first Slovak party to adopt a comprehensive foreign policy program, and, together with current Defense Minister Kanis, in this program we uncompromisingly pushed through the idea of rapprochement with NATO up to Slovakia's membership in this organization. Our pro-Western orientation is quite unambiguous. After the decision of the SDL congress in Zilina in May 1993 [to advocate Slovakia's NATO membership], public opinion regarding the question of joining NATO has changed in a very positive way. The number of advocates of this solution to Slovakia's security situation has increased, while the number of opponents has declined.

We are naturally watching developments in Russia and are not pleased with the manifestations of extremism and the new wave of Greater Russian nationalism. For this reason, we also agree with the Partnership for Peace project.

[DENNI TELEGRAF] During its talks with Slovak Social Democrats, the Czech Social Democratic Party let it be known that it would propose the formation of a Czech-Slovak union. What position did you assume on this proposal?

[Weiss] The division of the CSFR was caused by the unwillingness of the Czech political elite to accept truly equal coexistence of the two nations and a fundamental transformation of the federation. This was the concept that was offered by us, but we did not find any allies for it, neither in the Czech Republic nor in Slovakia. That is

why we see the CSFR's partition as a fact and the independence of the two republics as a reality that it is pointless to change. Both states have been recognized, so there exist neither foreign political nor domestic political conditions for the restoration of what existed here before. We are a party that is interested in good and literally privileged relations with the Czech Republic because it is not possible to simply throw out of the window the 74 years of coexistence and the specific economic but also cultural and family ties that have been formed. While the older generation and the middle-aged are still emotionally tied to many elements of coexistence in the common state, the young generation already perceives things differently.

[DENNI TELEGRAF] Had you become prime minister, would the talks with the Czech Republic have taken a less conflict-ridden and calmer course than, for example, the property talks with Vladimir Meciar's government?

[Weiss] They would have definitely taken a more civilized and businesslike course. From the viewpoint of expertise, however, we would have surely been tougher partners than the previous government.

Economics Minister on Tasks, Problems

AU0604165694 Bratislava NARODNA OBRODA in Slovak 31 Mar 94 p 3

[Interview with Minister of Economy Peter Magvasi by Karol Bohunicky; place and date not given: "Trade Must Have the Decisive Word"]

[Text] In the state administration, there is probably no other sector like the Ministry of the Economy, on which all others are dependent. To put it differently, if we are successful in the economic sphere, we will be successful in the other spheres, too. Such is the "package" of responsibilities of the new minister of economy, Peter Magvasi. At the beginning of our interview, we were interested in his first impressions as minister.

[Magvasi] This ministry has been administered by industrialists. They are used to making rational decisions, without unnecessary emotions. In the interests of this sector, this continuity should be preserved even after the personnel changes. This is what is really happening, thanks to the correct course of action taken by my predecessor, Mr. Ducky. We have projects and tasks that go beyond the time horizon of one government. I will pass on to my successor many of the things I inherited recently. This is the nature of the sector I have taken over while searching for as much information as possible.

[Bohunicky] What are your priorities?

[Magvasi] From the viewpoint of the overall concept of the activity of the ministry, I will focus, above all, on foreign trade. Foreign trade as an "institution" did not exist in Slovakia for well-known reasons. Of course, we have several starting points here, but the process of gradually establishing foreign trade must become much more intensive. This is what I want to focus on as much as possible. In the past, this ministry's main task was to administer industrial sectors. This trend will be replaced with trading activity. In the final effect, this will essentially influence the activity of said sectors and make them more efficient, I believe.

[Bohunicky] What are your problems?

[Magvasi] One of our greatest problems is trade with the Russian Federation. This is the cardinal problem of the Slovak Republic's trade balance because the deficit we have is mainly caused by trade with Russia. I consider a solution to this problem to be a strategic condition for economic efficiency of the Slovak Republic. At the same time, I am aware of our need for permanent and advantageous raw-material resources from Russia.

[Bohunicky] Are these problems as serious as the problem of the Customs Union [with the Czech Republic]?

[Magvasi] Certainly. This is another sphere that is exceptionally important for the Slovak economy. Personally, I am extremely interested in its better functioning. I have to say, however, that the Customs Union is (or should be) a two-way street. We need Czech partners, and the Czechs need Slovak partners. Unlike other European countries that can boast of a high degree of mutual cooperation, we have a unique advantage: Our technological standards are absolutely identical, which represents a high degree of integration. A technical drawing is as readable in Cheb [Czech Republic] as in Svidnik [Slovak Republic]. This gives us very valuable technological links that we should not fail to make use of.

Jeszenszky Comments on Holocaust Memorial Speech

AU0604165094 Budapest PESTI HIRLAP in Hungarian 6 Apr 94 p 3

[Interview with Foreign Minister Geza Jeszenszky by unidentified correspondent; place and date not given: "Geza Jeszenszky on the Interrupted Speech—One Should Condemn Both Fallow Ideas"]

[Text] Geza Jeszenszky interrupted his speech at the international conference on the Holocaust in Hungary because some of the participants began clapping their hands and stamping their feet to express their dislike for his lecture. According to our information, the initiator of the provocative action that interrupted Geza Jeszenszky's speech was a member of one of the research groups of the Eotvos Loramt Science University. We asked Jeszenszky's opinion about the incident.

[Jeszenszky] When I said, also referring to Jozsef Antall, that Nazism and Communism are equally responsible for the death of millions of innocent people and that these two "fallow ideas" must be condemned together, for a moment I thought that the clapping and the noise were signs of agreement; only later did I realize that the opposite was true, namely that the people making the noise wanted to stop me from finishing my speech. Evaluating the "patience" of the back seats, I did not finish my speech.

[PESTI HIRLAP] Mr Jeszenszky! According to our information, it was not planned that you would deliver a speech at the conference.

[Jeszenszky] That is true. The official greeting speeches, and especially Chief Rabbi Jozsef Schweitzer's words inspired me to deliver a greeting speech. Jozsef Schweitzer expressed his hope that the conference would serve the truth and the need for spiritual peace. I found this justified also because, in my opinion, it is very important for the new generation to learn the history and causes of the black year of 1944, because new genocides are taking place today, and the silent forms of ethnic cleansing have been known in the Carpathian Basin for 75 years.

[PESTI HIRLAP] What was the main idea of your speech?

[Jeszenszky] I drew the attention to the fact that the tragedy of the Hungarian Jews had widespread and broad causes, just like the causes of World War I, namely that there were quite a lot of people responsible, but some people are more responsible than others. I also said that the Hungarian Government, one that is usually called a government of historians and in which unfortunately there is one historian less today, continues to be led by the spirit and evaluation of 1944 expressed by Istvan Bibo in his study on the Jewish question written in 1948.

[PESTI HIRLAP] In your opinion, what led to the Holocaust in Hungary?

[Jeszenszky] Among the causes of events that took place in 1944, one should definitely list World War I and the subsequent unjust settlement and the wave of terror in 1919. One should also consider the responsibility of the policy of the neighboring countries and of the great powers. One should not mix the Jewish victims with the army losses, but I find it necessary to also remember the similar size of other victims, in addition to the losses of the Hungarian nation through the death of Jewish citizens. One should not forget that it was Nazism that made it possible for Bolshevism to spread in Hungary and that liberation from Nazi occupation and the Arrow Cross rule was also the beginning of a new terrible dictatorship of several decades. One should strongly condemn the "Jewish laws" in Hungary and the anti-Semitic incitement of those years, but there would have been no deportations and genocide without German occupation, and Hungary would have received a good mark for its humanity. There were guilty people in Hungary who received due punishment, and other guilty people escaped punishment, probably by joining the Communist Party, but the Hungarian nation is not a guilty nation.

Committee Sets Times for Radio 'Warning Strike'

LD0704114194 Budapest Kossuth Radio Network in Hungarian 1000 GMT 7 Apr 94

[Text] There is a warning strike under way in Hungarian Radio, called by the Independent Trade Union of Radio Employees. The "Chronicle" program will fulfill its public service duty and report on the main news briefly. The strike committee of the Independent Trade Union of Radio Employees called for a warning strike today because of economic events that have put employees in a disadvantegous situation.

The trade union does not want the warning strike to disturb the program order of the radio prior to the elections, so everything will be conducted according to the strike regulations in force.

The strike committee operating in Hungarian Radio called for two two-hour warning strikes: from 1100 to 1300 hours and for those working in the afternoon, from 1700 to 1900 hours. According to the communique of the strike committee, the objective of the warning strike is to initiate the success of the negotiations between the leadership of Hungarian Radio and organizations representing the employees and the protection of the radio employees' economic and social interests.

Workers Party Chairman Explains Foreign Policy

LD0504142694 Budapest Kossuth Radio Network in Hungarian 1050 GMT 5 Apr 94

[Interview with Gyula Thuermer, chairman of the Hungarian Workers Party, by unidentified announcer; place and date not given—recorded]

[Excerpts] [Announcer] Gyula Thuermer, chairman of the Workers Party, is in front of the microphone to explained

his party's foreign political ideas. One of the main elements of Hungarian foreign policy is to catch up with the West and to join the various Western European organizations. Do you consider it conceivable that we will be a full member of the EU before the end of this century?

[Thuermer] The opinion of the Workers Party is that not only the means of the foreign policy followed in the past four years but also the objectives of that are wrong. This includes the forced march into the European Union too. I cannot imagine, neither politically nor economically, that Hungary would become member of the European Union before the end of the turn of the century.

[Announcer] What is the situation with NATO? Is our membership necessary from a security point of view?

[Thuermer] While our opinion regarding EU membership is somewhat ambiguous, for we think that we should not be in such a hurry, but wait until conditions will be more favorable for us, our views regarding NATO membership is totally unequivocal. We think that Hungary has no place in NATO whatsoever.

[Announcer] Do you accept the Partnership for Peace?

[Thuermer] The Partnership for Peace is a deceiving matter. It is totally without advantages. [passage omitted] We pledge various obligations which only question Hungary's independence even more.

[Announcer] As you reject the idea of joining the western organizations, what sort of alternative do you offer?

[Thuermer] Our opinion is unequivocal: Hungary should be a neutral country. We are in a situation today when large international processes have not finished yet. [passage omitted] If we cooperate with NATO, all possibility of neutrality will be lost.

[Announcer] We have not talked about our eastern neighbours yet. I am thinking of Russia and Ukraine. Would the Workers Party change the relations vis-a-vis these countries?

[Thuermer] [passage omitted] We think that Hungary as a Central European country needs balanced and good relations with the great eastern powers, Russia and Ukraine and, at the same time, of course, with the west. The most important thing is to be on good terms with the neighbors.

[Announcer] How does the foreign policy of the Workers Party deal with the rest of the neighbouring countries?

[Thuermer] I would offer a treaty to all our neighbors. Three things should be laid down in this treaty. The sides should mutually renounce any change of the borders. This is the first thing. [passage omitted]. Second, we should spell out that we mutually guarantee the rights of the national minorities, taking into consideration the European practice and each other's means. The third issue is that we should express our intent that we will cooperate in every field. [passage omitted]

[Announcer] Can the southern Slav crisis be solved and how?

[Thuermer] The southern Slav crisis could have been settled a long time ago if others had not interfered in it. We have always said that the settlement should be left to the denizens. [passage omitted] The Hungarian Government should say that we are not to take part in any peacekeeping action which concerns the neighbors. It should also be said—let it be a war situation or not—that the AWACS planes need to be sent home. [passage omitted]

Minister Views Foreign Economic Performance

AU0604092494 Budapest PESTI HIRLAP in Hungarian 2-3 Apr 94, p 11

[Interview with Bela Kadar, minister for international economic relations, by Sandor T. Bekes; place and date not given: "Bela Kadar on the NGKM's Four Years—We Will Repeat Our Forefathers' Country-Renewing Activities"]

[Excerpts] [passage omitted] [Bekes] You have been leading the Ministry of International Economic Relations [NGKM] for four years. During this time, the activities of the ministry have been repeatedly attacked from time to time, now again by the Alliance of Free Democrats [SZDSZ]. Certain opposition politicians have stated that the NGKM should be wound up. What are your views on these accusations?

[Kadar] I have indeed been heading the NGKM's activities as minister since 1990 in implementing the change of the foreign economic system and emphasis, and the tasks of opening up the economy to the world. According to international assessments, Hungary has solved these problems more successfully than some other countries in the same situation. This is reflected in the essential elements of our economic diplomacy negotiations, in our foreign trade performance, in the number of enterprises by foreigners—some 1,800 foreign ventures were operating in Hungary at the end of 1989 and 19,000 at the end of 1993—capital investment—at the moment, foreign capital investment in Hungary exceeds $7 billion, which is 60 percent of the foreign capital invested in the East- Central European region—and, in general, in the smooth operation of the ministry. After all this, I wonder why certain political forces and politicians, who are noticeably annoyed about the country's successes, have been wanting to eliminate the NGKM with a stubborn consistency. We are now dismissing the statements that are made regularly every month, showing that those who make them want to eliminate a professional culture. Even the most obstinate of these people have to admit that the ministry is doing a good job and its elimination would not result in budget savings. Therefore, "just because" remains the most convincing reason for eliminating the ministry. It is especially interesting to hear this from those who had very different views on this issue a few years before the elections. [passage omitted]

[Bekes] Can you please give a general assessment on Hungary's foreign economic performance over the past four years?

[Kadar] It should never be allowed to assess the foreign economy on the basis of subjective views because statistical information is available. As a result of the change of the regime, the U.S. dollar value of exports of the former CEMA countries was reduced by 10 to 60 percent between 1989 and 1992. In that period, only Hungary of the former socialist countries managed to exceed the peak export level of the 1980's. The exceptionally long Western recession, the decrease in Russian imports, the consequences of the south Slav [Yugoslav] war, and a Hungarian economic policy that had very little support for the foreign economy, caused a halt to the Hungarian export offensive in 1993. Our exports calculated in U.S dollars decreased by 17 percent. The export-stimulating measures taken by the Hungarian Government in September 1993 have brought the improvement of the economy's competitiveness to the forefront. As a result of this, the 27-percent fall in the first half of 1993 had finally been dampened by the end of the year. In my view, the assumption is not without basis that these—rather limited—measures, in addition to slowing the decrease in 1993, have actually helped exports to start to increase in the first quarter of 1994. The fact is that certain members of the mass media who only yearn for bad news do not even bat an eyelid in saying that it is all success propaganda when I note that monthly exports in dollars exceeded the monthly average of the first three quarters of 1993 by 15 percent in November and 20 percent in December 1993. [passage omitted]

[Bekes] You have said it many times—also at the Uruguay Round of the GATT talks—that the central axis of the world economy has moved away from Europe. What are the prospects of Hungarian foreign trade in the Pacific region and what can we expect on the traditional European markets?

[Kadar] For almost two decades, Hungary has been struggling with the problem that the focal point of the world economy and world trade increases have been shifted further away from Hungary to countries in the Pacific and the Far East. The resources and experience of the new domestic foreign trade salesmen and entrepreneurs do not yet make it possible for us to rely more on the Far Eastern markets, which are expanding more rapidly than the average. Naturally, Hungarian foreign economic policy has already been doing all it can to promote this, but we must not forget about the realities. In Hungarian foreign trade, the proportion of foreign economic cooperation with the world's most dynamically developing area will for a long time continue to reach only a few percent. Our place is in Europe. Some 90 percent of Hungarian foreign trade is with the countries of old Europe. In this area, it is a positive result that, except for Serbia and Montenegro, we managed to halt the decrease in turnover with our neighbors in 1993. In Russia and the CIS countries, the general crisis and slump are still having their effects. In the near future, we will extend our system of free trade agreements to Slovenia. We also assume that the improving economic situation in Western Europe, the lifting of the market restraints affecting Hungarian goods, and our free trade agreements will contribute to an increased Hungarian foreign economy and exports. The current major proportions show that, in 1993, some 47 percent of our exports went to the countries of the European Union [EU] and 14 percent to the countries of the European Free Trade Association [EFTA]. Our free trade agreement with EFTA has been in force for six months now. If the EU accepts Austria and the Scandinavian countries as members in 1995, nearly two-thirds of Hungary's exports will be going to the EU. This clearly indicates to what the Hungarian economy and society must adjust. [passage omitted]

Poll Shows MSZP Ahead, MDF Support Waning

AU0604111694 Budapest MAGYAR HIRLAP in Hungarian 5 Apr 94 p 4

[Unattributed report: "The Hungarian Gallup Institute on Party Preferences in the Middle of March—The MSZP Is Leading, the MDF's Support Has Decreased"]

[Text] Between 11 and 16 March 1994, the Hungarian Gallup Institute carried out a public opinion survey on the adult population's party sympathies using a sample of 2,500. The margin of error linked to the size of the sample is plus or minus 2 percent. The survey establishes that the proportion of people voting for the Hungarian Socialist Party [MSZP] has continued to increase among those who selected a party. The Independent Smallholders Party [FKGP] and the Christian Democratic People's Party [KDNP] are coming increasingly closer to the Hungarian Democratic Forum [MDF], which has lost further "votes." The MDF leads the list of unpopular parties, with a third of people who have an opinion saying that they would by no means vote for this party. The MDF is followed by the FKGP and the MSZP. Two-fifths of people who tried to predict the final result of the elections think that the MSZP will receive the most votes at the May parliamentary elections. Significantly fewer people give a winning chance to the Alliance of Free Democrats [SZDSZ] or the MDF, which follow the MSZP.

In the middle of March 1994, 24 percent of the population did not know which party they would vote for "if elections were held next Sunday in Hungary"; a tenth said that they would not vote, and 6 percent refused to answer this question. The uncertain people who do not (yet) know whom they would vote for are more common among women (28 percent) than among men (20 percent), and more among the over-60's (31 percent) and people with the least education (39 percent) than younger people (22 percent) and people who have at least completed eight years at school. Within this last group, the differences between the various educational levels are negligible because 23 percent of people with eight years of education and 20 percent of people with higher education do not know who to vote for.

Some 61 percent of the population has party preferences.

Some 31 percent of people who chose a party would vote for the MSZP, 4 percent more than in the previous month. The Federation of Young Democrats [Fidesz] and the SZDSZ are in second and third places with near equal support (15 and 14 percent). Since the end of February, the MDF has lost 3 percent, and at the time of the survey, it has the confidence of 10 percent of potential voters. The biggest governing party is closely followed by the FKGP (9 percent) and the KDNP (8 percent), and 12 percent would vote for other parties. Of these last ones, none would reach the necessary minimum to get into Parliament.

Gallup measures the certainty of participating in the voting on a scale of seven. In the middle of March, 52 percent of respondents said that "it is very certain that they would vote next Sunday." However, within these "certain" voters, 18 percent do not yet know which party to support. Out of those who do know, 35 percent would choose the Socialists and 15 percent the Free Democrats. The Fidesz and the MDF would be supported at almost the same level (12 and 11 percent respectively). The Smallholders would receive 8 percent, the Christian Democrats 7 percent, and other parties 12 percent. If we examine the sympathizers of the various parties according to what proportion of them are "very certain" in participating in the elections, we have the following result: The MSZP's and the SZDSZ's potential voters are most determined about their intention to participate. Seventy-three percent of the former and 71 percent of the latter are very certain that they would vote. The MDF follows this line with 67 percent, then the FKGP (60 percent) and the KDNP (60 percent) with almost the same percentage. Half (49 percent) of the Fidesz's voters are determined that they would go to vote "next Sunday."

The potential voters of the various parties also differ in how certain they are that they would vote for the currently preferred party "in the first round of the May parliamentary elections." Almost half (47 percent) of all people who selected a party are "very certain" about this: They would vote for the party they now sympathize with. A third (34 percent) of them are slightly less certain, they are "only" certain about this, and a fifth (18 percent) are "uncertain." Socialist sympathizers are most determined; 60 percent of the party's current supporters are "very certain" that their opinion will not change before the elections. Half of the Smallholder (51 percent) and Hungarian Democratic (48 percent) voters are also determined, and 42 percent of the KDNP's and SZDSZ's voters each are very certain on this issue. Of the parliamentary parties, the Fidesz again is the last: A third (32 percent) of their current supporters are very certain that they would vote for this party, but almost as many (27 percent) are rather uncertain.

The survey also included the examination of secondary party preferences. People who chose a party were also asked "if, apart from this, is there another party that you would be happy to vote for?" and 29 percent of those questioned said that there is no such part and 7 percent said that they did not know. Out of those who named a party, the Fidesz was mentioned most frequently (22 percent), followed by the SZDSZ (18 percent). The rest were as follows: MSZP 13, KDNP 10, MDF 8, and FKGP 7 percent. A fifth (22 percent) of those who replied mentioned other parties, most of them the Entrepreneurs' Party (5 percent), the Republic Party (3 percent), and the Workers' Party (2 percent).

The individual candidates of the various parties cannot expect the same level of support as their parties. Naturally, in the case of all parties, the majority of people would "certainly" vote for the individual candidate of the preferred party, but the deviations are noteworthy. At least seven-tenths of the Socialist, Free Democrat, and Smallholder voters are certain (75, 72, and 70 percent) that they would vote for their party's list as well as its individual candidates. In the case of the MDF and the KDNP, 65 and 63 percent of people hold this view. Again, the Fidesz is the last, 59 percent of its potential voters would also vote for the party's individual candidates.

Examining antagonistic feelings to parties, Gallup asked people if "there is a party that they would definitely not vote for." Two-thirds (65 percent) of those surveyed selected a party from the list of 15 parties. The MDF was mentioned most often (33 percent), followed by the FKGP (21 percent). For a tenth (12 percent) of those who selected a party, the MSZP is out of the question, and almost as many reject the Workers' Party (9 percent) and the Hungarian Justice and Life Party [MIEP] (9 percent). Five percent would definitely not vote for the Fidesz, and 3 percent each for the SZDSZ and the KDNP. Half (52 percent) of the people who do not have a party preference also said "I do not know" to this question. Of the other half, the order of parties disliked is the same as above: MDF 28, FKGP 25, MSZP 14, MIEP 9, and Workers' Party 8 percent.

Some 41 percent of respondents did not venture to predict the final outcome—which party will receive the most votes—of the elections. The vast majority of those who made a prediction named the MSZP (40 percent). Twenty-two percent predicted victory for the SZDSZ, and 17 percent for the MDF. The Fidesz is expected by 9 percent as winner, the FKGP by 6 percent, and the KDNP by 3 percent. This result is somewhat different when the question applies to "your electoral district." In this case, half (50 percent) the population would not make a prediction. Out of those who did, 31 percent selected the MSZP as winner, 20 percent the SZDSZ, 14 percent the FKGP, and 12 percent the MDF. Some 8 percent expect the Fidesz and 7 percent the KDNP to be winners in their electoral district.

Military Daily Views Road to NATO, EU

WS0604134594 Warsaw POLSKA ZBROJNA in Polish 5 Apr 94 pp 1-2

[Article by Jan Forowicz: "On 7 April, Poland Will Submit Motion Requesting Admission to European Union—to the West, Not Against the East"]

[Text] The forecasts are optimistic. Poland may join the Western structures of economic cooperation and security earlier than was predicted by most analysts.

No specific dates have been set yet. However, we can see phenomena that are not any less convincing than precise schedules. Integration is clearly faster now. The government has confirmed its desire to further increase this rate. It unanimously empowered Prime Minister Pawlak to submit a motion requesting full membership in the European Union [EU], one of the most important political establishments of today's world.

A Historical Moment

Also, according to parliament members, if the external conditions are favorable, this initiative may enable Poland to achieve a true European character, democracy, and well-being.

They emphasize that such a firm intention to develop the old and establish new links to the West results from the social assent as well as from the agreement among politicians on this issue.

Sometimes it seems that it is all happening in conditions that are similar to the general agreement and support demonstrated by Poles in such historical moments as the regaining of independence after World War I, the bloodless overthrow of communism in 1989, and the voluntary acceptance of the burden of the economic reform in 1990.

The fact that our goals were clearly defined and then presented was important. We have not always been able to act like this. We should, then, once again recall the sharp words of criticism spoken in November and December by Lech Walesa about Western politicians. At that time, the NATO leaders were still hesitant in their evaluations; they were not sure whether the issue of admitting Poland to the organization could even be discussed. After a few months, it became clear that the criticism of the delay of the West, pointing to its consistency, is beginning to yield the expected results.

Unanimity

The most important and probably the most valued factor is the unanimity of the Polish political forces. At a recent meeting in parliament with Robin Beard, the NATO deputy general secretary for defense, Deputy Jerzy Wiatr, one of the leaders of the Democratic Left Alliance [SLD], said that "even those politicians who look only in the direction of Russia finally admit that the Polish pro-Western option is right."

He explained that the breakthrough moment was the Moscow coup. Poland learned a very important lesson from the developments in Russia: The source that radiates democracy and the philosophy of dynamic economic progress is still in the West. Tomasz Nalecz, of the Labor Union, added to these words that, in the issue of our membership in NATO, we are witnessing some kind of unique phenomenon in the Polish parliamentary system.

If we take a look at the plenary sessions of the Sejm discussing our membership in NATO, we would not see any differences between the various parties, even though they are quick to underscore their different opinions and ardently present controversial issues.

A Hand in a Friendly Gesture

The strategic goal of Poland is the attainment of full membership in NATO, the EU, and the West EU, says General Stanislaw Wozniak, director of the Department of Military Foreign Affairs of the Ministry of National Defense. He also stresses that our realism in the selection of Western organizations in which we would like to have our security structures does not mean that we want to turn our back on our eastern neighbors.

This is proved by a number of military agreements, signed first with our neighbors and then with others—in all, 14 states, mostly eastern and southern states. Only recently have we reached such agreements with the United States and Canada, and we are planning to conclude them with Sweden and Norway.

Foreign analysts know perfectly well that, in Polish defense concepts, there is no room for an invasive expansion or attempts to subordinate other states. The location of the Polish Army units is no secret, and it proves that we have no aggressive intentions or that we are grouping our forces in order to attack any external object.

Slavic and Modern

Similar views about our good relations with Russia and other neighbors, especially Slavic neighbors on the other side of the Niemen, Bug, and San Rivers, are expressed by Andrzej Olechowski, author of the recently announced main points of the eastern policy. He formulates several programs, based on partnership and outlining joint action for peace, economic cooperation, or exchange of experiences useful in the efficient implementation of democratic reforms.

Minister Olechowski would even be ready to propose "curbing the pro-NATO trends if the price were," let us say, "deterioration of the position of the prodemocracy forces in Russia."

Solid Roots

The opinion that the road to NATO should lead via the EU is becoming increasingly popular in the concepts of Polish diplomacy. This opinion is backed by the Sejm

Extraordinary Committee for the European Agreement with Jan Borkowski of the Polish Peasant Party, Piotr Nowina-Konopka of the Democratic Union, and Professor Marek Mazurkiewicz of the SLD. The committee was the first to definitely support the intention of the head of the Polish diplomatic service; he wanted to obtain consent from the government to submit a motion requesting full membership in the EU for Poland.

This committee also issued a positive opinion on the solid ground that had been prepared for Poland for the so-called second and third pillar of the Maastricht Treaty. Even though the first pillar—economic integration—may still seem rather weak, we can certainly cooperate in the areas of foreign policy, security, the justice system, and internal order.

All of our initiatives set off these solid foundations of integration and stress the time factor. The Treaty on the EU came into effect on 1 November 1993. On 1 February of this year, Poland obtained the status of a state associated with the EU. The time span is not very big.

Now the government is showing that we are doing our best not to allow the distance to increase, or even that we want to believe that it will be reduced earlier than expected.

Olechowski Says Road to EU Difficult, Uncertain

LD0704090094 Warsaw PAP in Polish 0747 GMT 7 Apr 94

[Text] Warsaw, 7 Apr—Foreign Minister Andrzej Olechowski said in the Sejm today that Poland might get the status of a European Union [EU] member in about 2000. According to him, the road to the EU will be long, difficult, and uncertain.

The minister presented the reasons behind Poland's decision to strive for EU membership. He said that he will hand an application for membership to the Greek foreign minister in Athens tomorrow.

The minister said a sounding among 12 EU members indicates favorable reception of Poland's application. He added that over 70 percent of Poles favor Poland's membership in the EU.

According to the Polish Government, Poland meets the EU conditions for membership application. These conditions are: the existence of stable democratic institutions, the observance of human rights, the rule of law and order, legislation being adapted to EU standards, and a market economy.

Sejm Board Hears Report on EU Integration

WS0704095694 Warsaw NOWA EUROPA in Polish 7 Apr 94 p 2

[Article by "U.K.:" "Report on Integration; Poland-European Union"]

[Text] *Minister Jacek Saryusz-Wolski, the government's plenipotentiary for European integration and foreign assistance, presented the Sejm Commission for European Integration with a report on the implementation of a program of measures aimed at adapting the Polish economy and legal system to EU requirements.*

The report, which was prepared on the basis of reports by individual ministries, deals with, among other things, the status of the adaptation and integration processes in the areas of the law and the economy, organizationally and institutionally.

"The program has not been and is not supposed to be something for its own sake but, instead, is the outline of a process whose scope and pace can be modified depending on changes occurring in both Poland and the EU," Minister Saryusz-Wolski said.

Among the adaptation measures, Poland's legal system has been dealt with as a priority, including measures dealing with the Customs Law, the Banking Law, the law on the protection of industrial and intellectual property, and the environmental protection law. This resulted in 38 scientific studies having been written by famous experts from all branches of law. One hundred and sixty draft laws were also reviewed from the standpoint of their conformity with European law.

In terms of long-term measures, experts are being trained, among other things, for cooperation with the European Communities, and work is being conducted on establishing institutional foundations for cooperation between Polish universities and prestigious schools of higher education in the West.

The Sejm deputies did not evaluate the working report because it will be debated at subsequent sessions by the commission. It was agreed that agriculture will be one of the first topics. As is well known, the biggest problem lies in adapting legal provision in force in Poland to EU requirements.

Czech Prime Minister on Ties With Neighbors

WS0704093294 Warsaw RZECZPOSPOLITA in Polish 7 Apr 94 pp 1, 23

[Interview with Czech Prime Minister Vaclav Klaus by Barbara Sierszula; place and date not given: "Vaclav Klaus for RZECZPOSPOLITA; Relations With Poland Are Developing Normally"]

[Text] Before the Sunday (10 April) meeting between Czech Prime Minister Vaclav Klaus and his Polish counterpart, Waldemar Pawlak, in the castle of Czocha near Lesna (in the vicinity of Jelenia Gora), the Czech prime minister answered a few questions for RZECZPOSPOLITA.

[Sierszula] Why will this meeting be of an informal nature?

[Klaus] I talked with Prime Minister Pawlak for only an hour, when President Clinton was visiting Prague. Now I remember that the informal meeting with former Prime Minister Hanna Suchocka was very successful, so I believe we should return to this tradition.

[Sierszula] As a result of your activities, almost no one uses the expression Visegrad Group any longer, and, instead, the states of our region are called CEFTA (Central European Free Trade Agreement). However, do you think CEFTA is really functioning?

[Klaus] CEFTA is operating to such a degree that its member states have been able to reach an agreement. What has been agreed on is functioning; however, one should think about whether we should go any further. Among other topics, this is what I would like to discuss with Prime Minister Pawlak.

[Sierszula] Are you satisfied with the present state of relations between the Czech Republic and its neighbors, such as Poland and Germany?

[Klaus] The relations are what they are. They result from the relations in the "micro" platform, from everyday contacts among various enterprises, companies, establishments, and people of culture. What is being done by the governments, prime ministers, presidents is only the tip of the iceberg, which is not the most important thing. Politicians should try to build up the contacts among states. Incidentally, I do not get the impression that these "microcontacts," which are said to be of paramount importance, between the Czech Republic and Poland, Germany, Austria, and Slovakia, are bad.

[Sierszula] What do you think is currently the greatest problem in Polish-Czech relations?

[Klaus] I do not think there are any fundamental, urgent problems that would call for an SOS meeting. I think our relations are developing normally. We are interested in building them up further. Sometimes they make our lives a little complicated, and the atmosphere is marred by various attempts to outrun each other in the race for NATO or the European Union. We should try to avoid this.

Situation of Poles in Lithuania Viewed

WS0604140094 Warsaw GAZETA WYBORCZA in Polish 6 Apr 94 p 2

[Article by Edward Krzemien: "Polish Troubles in Lithuania"]

[Text] *In two weeks' time in Vilnius, the presidents of Poland and Lithuania will sign a Polish-Lithuanian treaty. Perhaps this will be the end of disputes between the two countries, which lasted more than two years, about the past. But it would be hard to expect Polish troubles in Lithuania to be over with the signing of the treaty.*

Attacks on Jan Widacki, the Polish Republic's ambassador to Vilnius, may serve as an example here. Lithuanian nationalists have been accusing him of trying to polonize the Vilnius area, while leaders of the Polish minority have been accusing him of destroying Polish elements there.

Attacks on Ambassador

"The Polish ambassador to Lithuania does not represent his country's interests well"—this is what Ryszard Maciejkianiec, chief of the Polish faction in the Lithuanian parliament and a member of the leadership of the Association of Poles in Lithuania [ZPL], said recently while speaking in Warsaw before the Sejm commission charged with maintaining contacts with Poles abroad. *"His activity exacerbates conflicts among Poles in Lithuania, and also between Poles and Lithuanians."*

On the other hand, Lithuanian nationalists are also sparing no criticism against Widacki. Seven Lithuanian right-wing parties issued a special statement six months ago in which they said that *"Ambassador Widacki, through his activities and statements to the Lithuanian and Polish press, contributes to the Polish national minority constantly making unjustified claims."*

Ambassador Widacki himself told GAZETA WYBORCZA that he "deserves" the criticism because he publicly refuses to support ZPL leaders whose goal is to enclose the Polish community in a ghetto.

"We have been cooperating with organizations that implement a positive program. We support the Polish School Mother Country [Polska Macierz Szkolna] and also Polish folklore and theatrical bands. We have brought in 225,000 Polish books, and we have made a donation to a regional hospital in Soleczniki, in the form of 3 billion zlotys worth of medications," Widacki says.

Three Groups of People of Polish Origin

The embassy intervenes with the Lithuanian authorities in all cases of violation of rights of Poles, which are guaranteed by European standards and by a Polish-Lithuanian declaration of 13 January 1992. Among others, the interventions concern the dissolved regional councils, a return of land to Poles, and the spelling of geographical names and Polish last names. Recently, there was an intervention in the case of the Lithuanian authorities ceasing to print Polish textbooks. *A majority of our interventions were successful,"* Widacki says.

He divides Poles living in Lithuania into three groups. The first, called the *incorporationist* group, is based on the principle that the current Polish-Lithuanian border is just temporary and that sooner or later the regions will be incorporated into the Polish state. The group is very weak and has few members. It includes the oldest generation and also some extreme activists.

A second group, called the *autonomy* group, has as its goal the establishment in Lithuania of Polish administrative and political autonomy. It has the biggest number of members from among activists in the Polish minority.

The third group, one of *citizens' integration,* is based on the principle of maintaining identity and a cultural and language separation, but, at the same time, it wants to integrate with the Lithuanian society and to occupy posts in the structures of the Lithuanian state. The group is represented the least from among activists for people of Polish origin. Czeslaw Okinczyc, a deputy to the Lithuanian parliament, and also people associated with the ZNAD WILII biweekly and with a radio station of the same name, are members of the group.

Who Is Behind Whom

Each of those groups looks for contacts with political groups in Poland. The "autonomists," who are the most numerous, first looked for support within the Christian-National Union, followed by the Movement for the Republic. Then they found an attentive ear among some politicians for the Polish Peasant Party and the Democratic Left Alliance [SLD], which is demonstrated by a January letter to Poland's supreme authorities with demands of "autonomy for Poles in Lithuania," which was signed by 82 deputies from those clubs (let us recall that some of those from the SLD who had signed the letter withdrew their signatures before the end of January).

Ambassador Widacki explains that supporters of Polish autonomy in Lithuania are demanding that Poland force the Lithuanian authorities to implement constitutional amendments, among other things, and, at the same time, are demanding that their efforts to build autonomy from the rank-and-file level be supported financially. They want money for a Polish health center, a Polish hospital, a Polish university, and so forth.

According to Widacki, that is a dangerous position to take because it can only lead to exacerbating the conflict between Poles and Lithuanians.

"That is why we will persistently refuse to support building Polish autonomy from the rank-and-file level," Widacki states.

In Defense of Individuals

I heard similar views in the Polish Foreign Ministry. *"Poland wants to protect the rights of minorities—both those living in Poland and Poles living abroad—exclusively based on rights of individuals,"* says Stefan Meller, a director at the Foreign Ministry's European Department. "But we are opposed to any kind of joint rights—that is, to such rights that lead to recognizing an entire minority as a subject of international law and to granting it political autonomy."

"The Polish-Lithuanian treaty is supposed to serve the goal," Professor Meller says, "of having rights of individuals making up the Polish minority in Lithuania observed from every standpoint."

—According to Lithuanian sources, there are 268,000 Poles living in Lithuania. The ZPL, even though its membership decreases each year, is the biggest Polish organization. A year ago, it had 14,000 members, whereas, currently, the number of members is 6,000. Apart from that, the Polish School Mother Country is active in Lithuania and has about 1,500 teachers as its members.

Walesa-Pawlak-Kwasniewski Interactions Viewed

WS0604121594 Warsaw POLITYKA in Polish 9 Apr 94 p 3

[Article by Janina Paradowska: "A New Bermuda Triangle; President, Prime Minister, Chairman"]

[Text] *Without a doubt, Aleksander Kwasniewski, fleeing from journalists by going down a ladder from a window, has become the political hit of the past few days. In the past, there was talk about Professor Geremek to the effect that, when he is on the stairs, you never know whether he is going up or down the stairs. This time, there was no such dilemma: Kwasniewski was obviously going down the ladder. Does his going down have a symbolic meaning?*

If one takes a look at political events of the past few weeks, one comes to the conclusion that, apart from the confusion (which in fact should not be taking place because a coalition is in power that has such an enormous majority that definitely no other coalition will have this type of majority in the years to come), there are a lot of other things as well. A few pieces are emerging that compose quite a definite picture. And the picture is not that new, by the way.

It was clear from the beginning of the coalition consisting of the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL] that it is based on a lack of mutual confidence by the partners, and that acting in a way that would avoid deepening this lack of confidence will be one of the most significant problems. I dare say that nothing positive has been accomplished in that regard, but, instead, a lot has been done to increase the lack of confidence. Everyone is terribly excited about the president's refusing to appoint Dariusz Rosati deputy prime minister and finance minister, whereas I am surprised that Mr. Rosati wanted to be a candidate at all, after Prime Minister Pawlak reordered his office (an hour before going to the Belweder) by dismissing Witold Modzelewski of the Finance Ministry and appointing Mr. Jan Kubik of the PSL in such a hurry that the person concerned was not even notified. I can see no difference of merit between the situation that forced Marek Borowski to make his dramatic resignation and what happened recently. Back then, a deputy minister was dismissed behind the minister's back, whereas this time

the changes were even more wide-ranging. This fact contradicts, of course, a popular theory that the president and the prime minister had a deal in Rosati's case. If they did indeed have a deal, what would be the goal of the prime minister (who usually procrastinates in signing various nominations) signing whatever came across his desk? The only goal was that he was rather sure of the nomination, and he wanted to have his own man in the Finance Ministry, who would take care of the PSL's interests, not just in the sense of party interests but also—let us be fair—the interests of the countryside electorate.

Peasant activists were not thrilled at all by the fact that a large part of low-interest credits (established within the "1 Million Per Hectare" program) found themselves in Warsaw banks, where farmers tend not to do business. They were also not very happy about the fact that the candidate for deputy prime minister for economic affairs has not even met the PSL Parliamentary Club, despite the fact that the club asked for such a meeting. Rosati is definitely an excellent candidate for both posts for which he was chosen, but the way his candidacy was dealt with tends to shed a rather miserable light on politicians of the party that promoted Rosati.

It is clear that a few lessons from the past were forgotten in all of this. Aleksander Kwasniewski, who studies the history of the Citizens Parliamentary Club so diligently, so as to prevent it from repeating itself with regard to his own Sejm deputies club, somehow ignored the past case of Jaroslaw Kaczynski, who was the "main player" while the Jan Olszewski government was being formed. The main player soon became the prime minister's petitioner. It is a strange thing that the prime minister's post continues to be underestimated in Poland for some reason, despite the fact that it is the prime minister who has the instruments to exercise real power. After the PSL-SLD coalition was formed, it was not before the crisis associated with Marek Borowski's resignation that it was determined who really is the prime minister. From that moment on, it was clear that it is Waldemar Pawlak who is the prime minister. So, what should have been done was to reconsider once again the principles of cooperation within the coalition, and to put government and coalition ranks in order. But not a lot was done in that regard. An agreement has not been reached on ways of handling personnel changes, witness the case of Zbigniew Siemiatkowski, whose road to a post in the Defense Ministry [MON] has been so long and winding that one is entitled to feel that the road must indeed span the globe.

More importantly, an agreement has not been reached on program-related issues, either. In all of his recent interviews, Aleksander Kwasniewski emphasized that the previous crisis resulted in the budget no longer being nobody's budget and becoming instead the budget of Prime Minister Pawlak's government. That is true. But we still do not know whether privatization is a completely private business of Minister Wieslaw Kaczmarek, especially given that, during debates on a draft of a privatization statute, quite clear differences of opinion emerged between Minister Podkanski (PSL) and Minister Pol of the Union of Labor on the one hand, and the Ownership Transformations Ministry's chief, who is from the SLD, on the other. It is not known whether the whole concept of changes in the so-called civil service, which was drafted by the Council of Minister's Office (and whose effect is making civil service political to the maximum extent possible), is Minister Strak's (PSL) business, or, alternatively, whether it is the coalition that is behind the concept and now supports it. If the latter is the case, the so-called coalition agreement concerning officials' professionalism and nonpolitical nature should go in the waste basket, and for good. These are some examples off the top of my head, which does not mean they are unimportant. Both problems pertain to the country's political system.

For many weeks, the coalition held sessions, they decided on who-knows-what, but nothing practical came out of it anyway, apart from headlines in the press announcing that Siemiatkowski will take his MON post the next day, while the prime minister will present the president with his candidate for deputy prime minister and finance minister the day after that. But, in fact, the prime minister (in his usual style) temporized with the signing of the nominations, and he procrastinated with presenting his own candidate. There was unofficial talk that an intentional humiliation of Aleksander Kwasniewski was taking place. It must be true that right now, the SLD insists on Rosati's candidacy (which misfired, it can now be said) in order to humiliate the prime minister, who does not look unhappy at all about the president's decision (Minister Strak, for instance, was kind enough to have made several public statements to the effect that a lack of finance minister brings no harm to the country's economy). But it is beyond any doubt that Prime Minister Pawlak is in a tough situation because he clearly does not want to see a war with President Walesa. By the way, that is no surprise—if you have a coalition partner who has more votes in the Sejm, you still need another ally even if you cannot trust him, either. It is always more convenient to have two solutions rather than to be against the wall all of the time.

Waldemar Pawlak experienced being against the wall before he was prime minister. But once he became the government's chief, he could see no reason for that to continue. Still, a question must be asked: Where is the endurance limit of the SLD ally, the kind of limit that, once crossed, will make the SLD say: "Enough," which can mean only one thing: the SLD leaving the coalition. At that point, Waldemar Pawlak, as chief of a minority government, even if it enjoys the Belweder's support, will become Aleksander Kwasniewski's petitioner because he will have to make efforts to gain Kwasniewski's support when it comes time to enact laws indispensable for the functioning of the country and its economy. It seems that that is about time the prime minister will ask himself that question in no uncertain terms. A further weakening of the coalition (which is

extremely fragile to begin with) is not in the interest of the government, not to mention the country's interests. Incidentally, when it comes to the country, it seems that politicians have completely forgotten about it, while being preoccupied with their maneuvers in the upper echelons. Aleksander Kwasniewski should also ask himself a question like that. Getting the prime minister involved in a war with the president will eventually not turn out to the government's advantage.

Because of his rejection of Dariusz Rosati's candidacy, President Lech Walesa received an enormous amount of criticism; Walesa is blamed for a continuous destabilization of the situation. It is said that Walesa's measures are associated with the beginning of the presidential campaign, which the president just launched. The truth is that a great many politicians have already joined the campaign, while the president himself has been taking part in it for some time now. In my view, the point is not about the campaign but about the president having always taken advantage of disagreements among politicians in order to gain something for himself. Everyone can see what the president is like, and he cannot be changed. I would be surprised if the president, while seeing so many cracks and disagreements in the coalition, did not try to maneuver them somehow, although, when it comes to the Rosati case, Walesa's success is dubious, unless his intention was to have everyone, from Bugaj to Hall, unite against him; this is what indeed happened. But, if the intention was to get rid of another serious candidate for finance minister—Leslaw Paga—the president succeeded in that marvelously.

So I am not surprised with Lech Walesa's actions. What he will do about the budget will be a test of his real intentions. If he refuses to sign, which I doubt, I will regard the president as having acted against the reforms and having destabilized the economic situation for the first time. So far, he has signed a law on compensatory payments, even though he raised serious reservations. These reservations are reasonable from an economic standpoint. Using equally rational argumentation, he refused to sign a neo-popiwek [wage-controlling] law, which is a legislative little monster, having no chance of defending itself before the Constitutional Tribunal (possibility of introducing taxes through an ordinance by the Council of Ministers.) The president's refusal to sign the law may cause trade unions to be grateful to him, in addition to employees of big plants, and opposition members both in parliament and outside of it. So the neo-popiwek law was undoubtedly the coalition's gift to Lech Walesa. Therefore, there is no reason to constantly repeat the same scenario over and over again: The president says "No" in a situation, and he has a right to that, while the SLD immediately makes noise about limiting the president's constitutional powers. Spur of the moment tinkering with the Small Constitution is one of the worst possible ideas. Why does the Sejm simply not get down to work, prepare a draft of a constitution, and submit it to a referendum? If we keep announcing changes in the Constitution with every small conflict among politicians (this is not a conflict between the coalition and the president, but between the SLD and the president), we will lead Polish democracy astray, from where it will be hard to return. We had quite a start: Two Sejms whose terms ended ahead of schedule, and constant predictions—coming from different corners, by the way—that this particular Sejm will not survive the full term, either.

So, instead of the ever-nervous atmosphere, which, unfortunately, is being created by all of the parties to those disputes, and instead of spectacular escapes using a ladder and insisting on a candidate who, as can be seen, is not desired a great deal by either the prime minister or the president, I would expect some reserve scenarios and talks among political elites before the damage is done, not afterwards. Sejm Speaker Jozef Oleksy has suggested to the president that regular summit meetings be held. Lech Walesa should respond positively to that proposal. Otherwise, the president-prime minister-chairman of the biggest parliamentary club arrangement will indeed turn into a Bermuda Triangle, in which Polish politics will get stuck completely, while being incapable of solving the real problems and concentrating instead on various maneuvers and ambition-driven games.

What is the legacy of the recent crises so far? It is the lack of a director of economic policies and a future weakening of the finance minister's position. Whoever becomes the next finance minister will not have the position Marek Borowski used to enjoy in the government. What does a weak finance minister mean in our situation? It is better not to even think. Another legacy is the loss of popularity and social confidence by politicians of the governing camp. Jacek Kuron again leads in the popularity polls.

And so we have a situation that resembles something out of the strangest dream. The opposition practically does not exist, while concentrating mainly on debates on what it means to be an opposition, while the government's performance is declining. It is indeed quite a difficult thing to do—to so effectively disorganize a coalition like this.

Walesa-Coalition Deal on Budget, Rosati Noted

WS0604163294 Warsaw GAZETA WYBORCZA in Polish 6 Apr 94 p 1

[Article by Dominika Wielowieyska and Waldemar Kumor: "Rosati in Return for Budget; Peace at Top?"]

[Text] *The coalition would no longer insist on Rosati's candidacy, and it would also amend the neo-popiwek [wage-controlling] law along the lines of what the presidents wants. The president would sign the budget and also approve, without any reservations, a new candidate for finance minister put forward by the Democratic Left Alliance [SLD]. It is possible that such decisions will be made as soon as tomorrow [7 April] if a summit meeting between Walesa, Pawlak, and Kwasniewski takes place.*

Prime Minister Pawlak is said to have promised the SLD that he will do everything in his power to persuade the president to hold such a meeting at the end of the week.

We learned unofficially that the prime minister told Sejm Speaker Jozef Oleksy (SLD) yesterday that a meeting at the Belweder "has very good chances of materializing."

Right before Easter, the prime minister telephoned Dariusz Rosati, the SLD candidate for finance minister, and asked him not to give up, despite the president's rejection of his candidacy. Professor Rosati confirmed yesterday, while talking with GAZETA WYBORCZA, that the coalition members continue to ask him not to withdrawal his candidacy until the dispute is finally resolved. But he is aware that his chances are slim.

"*The president has already rejected the candidacy once, and I do not think he will change his mind*," Lech Falandysz, minister of state in the President's Office, told us yesterday.

The coalition wants to overcome the deadlock by suggesting a deal: Perhaps it could give Rosati up, but it is waiting for assurances from the president that he will approve the next candidate submitted by the SLD. The coalition is also hoping that the president will sign the Budget Law, despite his earlier threats to veto the measure.

In return, the Polish Peasant Party and the SLD could show remorse and admit that the neo-popiwek law, which was vetoed by the president, requires amendments. It is true that both parties intend to overrule the presidential veto, but the only goal of that would be to move for an amendment to the law, using urgent proceedings, and, in the course of the amendments, the presidential reservations would be taken into account.

The issue is primarily about amending the legal provision pertaining to the government's introduction of wage controls in all companies, should "the country's financial stability be endangered." The coalition is not sitting idly by. We found out at the Finance Ministry that proceedings to amend the law have reached an advanced stage.

The solution could satisfy both parties because the continuity of wage controls would be maintained. The Sejm would overrule the president's veto, and the law would then become effective retroactive to 1 April, while the parliament would amend the law within a month and a half.

Will Lech Walesa decide on a cease-fire? One does not know. It is also hard to predict whether the coalition's leaders will not begin arguing among themselves at the last moment once again.

Olechowski Outlines Proposed MSZ Changes

WS0704095594 Warsaw GAZETA WYBORCZA in Polish 7 Apr 94 p 2

[Article by "em," "krzem:" "Shouts About Subcommission; Political and Apolitical Foreign Ministry"]

[Text] *Coalition deputy ministers whom the Foreign Ministry [MSZ] chief wants to allow into the ministry will not be part of the foreign service corps. As part of a reform he outlined to Sejm deputies yesterday, [Foreign Minister] Andrzej Olechowski intends to separate the ministry's political leadership from the corps.*

The role of deputy ministers, who, along with the MSZ chief, will constitute its political top, is supposed to be about participation in the shaping of the minister's policies, about representing MON [Ministry of National Defense] abroad, and also vis-a-vis domestic political forces. Any measures by the deputy ministers undertaken inside the MSZ must be coordinated with the minister and a secretary general.

Strong Secretary

The secretary general would be in charge of the civil service (in the MSZ, it is to be called the "foreign service corps.")

The secretary would be someone apolitical, whose nomination would be agreed upon by the prime minister and the president, so as to prevent frequent changes at the post.

The secretary general would be the boss of director generals, who would be in charge of individual departments. Both levels—that is, of the secretary general and of director generals—are part of a group of supreme government officials appointed personally by the prime minister.

The outlined arrangement is supposed to alleviate some burden from the minister in terms of the day-to-day administration of the ministry, and it is also supposed to create opportunities for the minister to participate to a greater extent in proceedings by the entire government and to conduct his own policies.

Corps of Officials

A new statute on the MSZ is supposed to define clear principles on how to join the foreign service corps, on promotions, and on the exchange of people between the center and its foreign posts. The minister is supposed to introduce a new set of internal rules that will define with precision the links between six official grades.

Vacancies in posts abroad would be announced six months in advance, and everyone could apply to be appointed after his direct supervisor agreed. Nominations to work abroad would be subject to opinions by a personnel committee (consisting of department directors).

Details of the reforms within the MSZ are not being revealed for now because they could change after a debate within the government.

Dispute Over Subcommission

As we found out unofficially from a participant in a session by the Sejm Foreign Affairs Commission yesterday, Sejm deputies who are members of the commission enthusiastically received the draft of reforms within the MSZ. So they were even more surprised when Andrzej Micewski demanded an extension of the mandate of a subcommission for personnel issues within the MSZ. Olechowski has disliked the subcommission's doings from the beginning.

Professor Bronislaw Geremek (chief of the Foreign Affairs Commission) refused to submit Micewski's motion to a vote because the motion was not on the commission's agenda. *A heated dispute erupted over that issue between Geremek and the subcommission's members, which later was also joined by Minister Olechowski, who spoke very strongly against any further activity by the subcommission.*

Let us recall that the subcomission was established in January at the initiative of Tadeusz Samborski of the Polish Peasant Party [PSL]. It included as its members some Sejm deputies for the ruling coalition and also one Sejm deputy for the Union of Labor [UP]. The Democratic Union [UD] and the Confederation for an Independent Poland [KPN] refused to participate in the commission, while the Non-Party Bloc in Support of Reforms has withdrawn from it.

Olechowski denied the statement by Sejm deputies that the subcommission's cooperation with him is good: *"I do not have a feeling of conducting a dialogue with the Sejm deputies. I expected the subcommission to tell me what specific human harm has been done."*

The subcommission's members were trying to argue that they no longer have any intention of interfering with personnel policies, but just to settle a few dozen "cases concerning real people" involving former MSZ employees. In the end, Prof. Geremek ordered that a vote be conducted. Eleven Sejm deputies (Democratic Left Alliance, PSL, and one Sejm deputy for UP) were in favor of extending the subcommission's mandate, whereas 12 Sejm deputies were against (UD, KPN, and UP, while one Sejm deputy for UP abstained).

After the debate, the coalition members remained in the room, shouting that the votes were not counted properly. They announced that they would put the results of the vote in question.

Economy Improves; 'Permanent Growth' Emerging

WS0704104094 Warsaw NOWA EUROPA in Polish 7 Apr 94 p 3

[Article by "Z.M.:" "Permanent Growth; Economic Situation in March 1994"]

[Text] *The economic situation in Poland improved in March. The economic situation's indicator increased by 2 percent compared with what it was in February of this year. Those are the conclusions drawn from the most recent research poll by the Main Commercial School's Institute of Economic Development.*

The production output indicator increased substantially over the month of March. Enterprises are predicting that the trend will continue over the next three to four months.

An increase in the in-flow of new domestic orders, which has been reported by enterprises, is also a positive phenomenon. All signs are that we will have a similar situation over the course of the next three to four months.

After its January increase and a stabilization in February, the indicator of price increases on ready-made products experienced a drop. Enterprises are predicting a slowdown of the rate of increases of prices on their products also over the next three to four months.

Last month, a decrease of reserves of ready-made products was reported, even though the reserves' levels were rising on a regular basis beginning in December 1993.

The indicator of production of merchandise for exports rose for the second month in a row; the same applies to the portfolio of new export-bound orders. This kind of rate should hold over the next few months.

The rate of growth of unemployment decreased in March, and the financial situation of enterprises improved slightly.

The increase in production levels, the increase of domestic and export orders, the decline in the levels of reserves of ready-made products, and an investment revival—all these are signs of permanent economic growth occurring in Poland.

Daily Views Future of Wage Control Law

WS0704095894 Warsaw RZECZPOSPOLITA in Polish 7 Apr 94 p 1

[Article by K.J.: "If the Sejm Accepts the President's Veto, What Ace Does the Government Have Up Its Sleeve?"]

[Text] The Finance Ministry has announced that, if the Sejm accepts the president's veto to the new popiwek [tax on excessive wage increases] law, the government will submit a new bill controlling salaries and wages. This time it would be similar to the popiwek between 1990 and 1991—without any tax allowances. It is possible that this bill would allow only one method of establishing wages, in line with the index determined by the government.

In the event that the president's veto is not rejected by the Sejm, the Finance Ministry is already preparing a bill

that would stop the automatic valorization of retirement and disability pensions as well as unemployment benefits. Therefore, the possibility should not be ruled out that, in 1994, a strictly fixed amount of money would be earmarked for the increases in retirement and disability pensions, just as has been done for the past three years with the salaries of the budget sphere.

Asked what the government will do if the Sejm does not pass the new popiwek law, Finance Deputy Minister Jan Kubik responded: "Nothing." However, immediately after that, he "admitted" the ministry's plans.

The ministry has received information that last Thursday and Friday more money was taken out of banks for salary increases in enterprises. This especially goes for the Silesian banks, Director Zbigniew Boniuszko, of the Finance Ministry, said yesterday. He fears that, if there is no law regulating this problem, wages and salaries may increase in April by 18-20 percent.

The government was going to submit another proposal to the deputies: Instead of adopting the new popiwek law once again, they might try to amend it. Thus, the Sejm would have to override the president's veto, pass this law, and, at the same time, amend it.

What would this amendment consist of?

The government would abandon the famous Article 21—that is, the right to extend the control of salaries and wages to private companies. So far the government has justified this with the necessity of "combating special threats to the financial balance of the state." All the revenues derived from the new popiwek would go to the state budget; at the beginning the government wanted half of those revenues to be forwarded to the Agency for Industrial Development (amendment of Article 31).

After yesterday's visit to the Finance Ministry, Prime Minister Pawlak approved the amendment bill prepared by the ministry.

However, from the standpoint of the law, it is not possible to amend this law. A law that has not been announced in the Legal Gazette cannot be amended.

It is possible, then, that the government will do the same but in a different manner: If the Sejm does not override the presidential veto, the government will submit another bill after several days. The only difference between this bill and the previous one would be that it would not allow for wage controls in private companies and would classify the popiwek revenues as the revenues of the state budget. The problem is that the new law would have to be forwarded to the senate and then wait to be signed by the president. Most certainly, then, it could not come into effect on 1 April of this year.

"As a result of the government's statements that it is preparing a new law, perhaps similar to the one we had in 1990, enterprises will start paying additional money in panic," claims Maciej Manicki, deputy chairman of the All-Polish Trade Unions Agreement and chairman of the Sejm Extraordinary Committee for the Pact on State Enterprise. The committee decided yesterday that it would propose that the Sejm reject the new popiwek law.

ΩTransformation of Food Industry Bank Set

94P20550A

[Editorial Report] The Polish media have recently described the transformation of the Food Industry Bank (BGZ), which primarily serves the agricultural sector (which employs approximately 38 percent of the population) and is jointly owned by the State Treasury and approximately 1,200 cooperative (co-op) banks. Like other banks, the BGZ, which is one of Poland's largest financial institutions, is affected by the country's current financial crisis and requires a substantial overhaul. The U.S. auditing firm of Arthur Andersen estimated that the BGZ needs 16.2 trillion zlotys [Z] for capitalization, but, at the end of 1993, the Finance Ministry allocated to the BGZ only Z4.27 trillion out of the Z21 trillion of bonds available for the transformation of banks. The remaining Z12 trillion the BGZ needs will be granted in the form of government bonds after it converts to a joint-stock company. Current BGZ losses "are being covered from the state budget, but the reccurrence of losses is due to the continued granting of preferential loans" and to unprofitable investments such as sugar mills and fruit and vegetable plants. The NIK (Supreme Chamber of Audit) reports that at least Z21 trillion was lost because of unrecoverable loans. (GAZETA BANKOWA 12 Feb 94) The losses due to these bad loans make the BGZ "unable to achieve its potential for making reserve provisions from internal funds." Making provisions for reserves in the required amounts may result in the bank's "generation of losses on the balance sheet, which cannot be covered by the bank's internal capital." In such case, additional "capital support from the State Treasury would be necessary." A condition for recapitalization of the BGZ is its conversion to a joint-stock company (rendering it BGZ SA). Once the BGZ SA is formed, the bank will be capitalized by restructuring bonds. (RZECZPOSPOLITA 26-27 Feb 94)

At a 9 March conference devoted to the BGZ conversion, in which 49 BGZ branch directors participated, Prime Minister Waldemar Pawlak assured those present that the work on converting the BGZ into a cooperative structure is continuing. Pawlak added, however, that "unfortunately, the Finance Ministry backed out of formerly agreed-upon decisions and put a stop to the entire process"—referring to the conflict between former Finance Minister Marek Borowski and him over the dismissal of Deputy Finance Minister Stefan Kawalec. Despite such difficulties, Pawlak is convinced that the conversion process will be completed this year "and will employ such tested methods as those used by the French Credit Agricole."

Three variants for restructuring the Food Industry Bank—as well as other cooperative banks—into a corporation bank in June of this year were presented by BGZ Deputy Director Ryszard Turpin for discussion.

The first model calls for a three-tier structure and assumes that a National (Domestic) Co-op Bank will be created, and about nine to 12 regional banks with legal entity status will be formed. Turpin stated "in such a structure, the BGZ could become a national bank coordinating the activities of the entire co-op banking sector." This conversion model has the support of the National Bank of Poland (NBP), the Finance Ministry, and the Union of Polish Banks (ZBP).

The second model makes the BGZ the clearing and financial center specifically and only for co-op banks. The BGZ would retain a two-tier structure as a central bank and would serve its branches, which would be the regional banks functioning without the status of legal entities. In Turpin's opinion, this model "lacks strong support because it is not sufficiently refined and does not take into account the already existing regional banks, which include co-op banks such as BUG SA, GPB-Z SA, GBW SA."

The third model provides for the BGZ conversion into a specialized state agricultural bank able to issue long-term loans. Alongside this proposed state bank, a national holding bank would be formed, maintaining a three-tier structure of a national holding bank, regional banks, and local-level cooperative banks.

Turpin emphasized the importance of a prompt Sejm debate on the drafts of the cooperative banking system "to foster the development of co-op banking." He also said that such a draft, with a two- or three-tier structure, has already been prepared and should be submitted to the Sejm as a government or a Sejm deputy initiative."

In Turpin's opinion, the first model has the best chance of passing in the Sejm. "If passed, the competences of both national and regional banks should be clearly defined, and all cooperative banks should be obligated to merge with regional branches." (RZECZPOSPOLITA 10 Mar 94)

After the Sejm accepted the first model, BGZ Director Kazimierz Olesiak, nominated by Pawlak in February, expressed hope that the Sejm would employ the "accelerated legislative process" in recommending the bank's transformation strategy to complete the BGZ's conversion to a joint-stock company. Olesiak maintained that "only then will the government allocate over Z10 trillion in restructuring bonds," without which the BGZ and 1,200 other co-op banks "will not be able to serve about 30,000 organizations and people" in the agrarian economy. In Olesiak's opinion, implementation of this model could "save about 250 co-op banks from bankruptcy" and could make the BGZ the country's second-largest bank, after the Main Commerce Bank ("Panorama" newscast, TV Polonia Network 25 Mar 94).

Maritime Minister Introduces Flag of Convenience

LD0604225394 Warsaw PAP in Polish 2054 GMT 6 Apr 94

[Text] Szczecin, 6 Apr—Boguslaw Liberadzki, the minister of transport and maritime economy, who took part on 6 April in a meeting of the Szczecin Maritime Lobby, has announced the introduction in our country of a free register of ships sailing under various flags.

In practice, this means the birth of a Polish flag of convenience, similar to that of Panama or Liberia, under which shipowners from various countries will be able to register their vessels. There are many who are interested in "changing the flag" of their ships.

Army Commanders, Tinca Planning 'Restoration'

AU0604114294 Bucharest ROMANIA LIBERA in Romanian 2 Apr 94 p 3

[Article by Claudiu Harcioaga: "Restoration Is Being Prepared in the Army—The Slave of the Power"]

[Text] A number of young army officers, the names of whom we will not disclose to protect them, have warned us that important changes will be carried out within the leadership of the Romanian Armed Forces. Thus, commanders of various units are to be replaced with "political commissaries of the Ceausescu era," under the pretext that during their lengthy careers and especially after 1989 the latter "distinguished" themselves by not making any mistakes. The same sources revealed that this genuine restoration is to take place with the consent of the new defense minister, Mr. Gheorghe Tinca, whom the military consider "the slave of the power," and that the move is part of Romania's "new" military orientation distinguishable over the past month, intended to establish a full-scale alliance with Russia.

Considering that Mr. Adrian Nastase [speaker of the Chamber of Deputies and executive chairman of the Social Democracy Party of Romania] is also pleading for the replacement of the army commanders appointed by the former defense minister [Lieutenant General Niculae Spiroiu], there are no more doubts left as to the efforts made by the state power to place the armed forces under its authority.

Senator Timofte on Importance of SIE Law

AU0604082594 Bucharest CURIERUL NATIONAL in Romanian 31 Mar 94 pp 1-2

[Interview with Senator Radu Timofte, president of the Senate's Defense Commission, by Irinel Radulescu; place and date not given: "Foreign Intelligence Service Will Harm Neither the Citizen Nor His Rights"]

[Text] *The draft law on the organization and functioning of the Foreign Intelligence Service [SIE] was submitted to the Permanent Bureau of the Senate last week. The legal initiative of the Commission for Defense, Public Order, and National Security is part of the package of laws that will form the necessary legal framework for the organization and functioning of an important component in the structure of the intelligence system. The document, which is the first legal project that refers to the Foreign Intelligence Service, is notable through a number of distinctive features compared to the document referring to the Romanian Intelligence Service [SRI]. Thus, we asked Senator Radu Timofte, president of the Senate's Defense Commission, to comment briefly on this subject.*

[Radulescu] Mr. Senator, the commission that you are heading has submitted the draft law on the organization and functioning of the Foreign Intelligence Service to the Permanent Bureau of the Senate. There was no such law during the interwar period in Romania and there is no such law in many other countries because the activity of the respective services is carried out only in accordance with internal operational rules. Then why is such a law necessary now?

[Timofte] The assistance of such a law is needed to enable us to oversee the organization and functioning of the SIE, because of the specific and complex nature of its activity, as well as because of the duty—established by the Constitution and by the law on national security—that an authorized body such as the SIE should operate in accordance with the law. Thus, we will coordinate our activity with the legislation currently effective in our country. According to the law on national security, the activity of the SIE will be organized and controlled by Romania's Supreme Defense Council and will also be supervised by the parliament.

[Radulescu] In connection with this parliamentary supervision, Article 2 of the respective law stipulates that this control will be carried out "through the special commission of the two chambers of the Parliament." Will a new commission be established or will the current "Vacaru Commission" take over this task as well?

[Timofte] Through this draft law, we are trying to enable the current commission that is in charge of supervising the SRI activity to expand its control over the SIE as well. This is the wish of those who initiated this document. However, I do not know to what extent the parliament will like this idea. I am already anticipating stormy debates on this subject, because many people will want the Parliament's Defense Commission to carry out this control of the SIE activity. The reason for choosing the "Vacaru Commission" for this job is linked to the wish and the need to limit the number of those who come into contact with and have access to information that the SIE is dealing with.

[Radulescu] However, by limiting the number of those who have access to such information, more power is given to the control commission, which will have access both to the SRI and the SIE information. How will the Parliament react to such a situation?

[Timofte] That is precisely why I said that there will be a heated discussion on this subject. My personal opinion is identical with the stipulation of the law. If the parliament rejects this idea, then the control over SIE will pass to the two defense commissions.

[Radulescu] What other sensitive articles are included in the respective law?

[Timofte] When the law was submitted to the Permanent Bureau of the Parliament, I requested that the Commission in charge of human rights should also be informed about it. Thus, I would like to stress the idea that in no way will the law on the organization and functioning of this service harm the citizen or his rights. Certainly, any of the articles of the respective law might become sensitive at one point and positive or negative examples from the legislation of other countries might be brought up at

any time. I hope that no particular problem will be encountered before the law is endorsed, as long as this service carries out its activity in accordance with its own rules. We tried to avoid as many problems as possible. I could give you an example regarding the "way in which the service carries out covert activities." Had we not included such a stipulation in the draft law, useless and interminable discussions in the parliament on the issue would have followed. I would like to mention once again that it is not the law that has to include sensitive issues but the SRI regulations.

[Radulescu] Mr. Senator, compared to the SRI, the SIE seems to have a preferential regime, although it is also under the parliament's control. I am talking about the way in which reports are submitted and the level at which they are submitted. Could the SRI react to this or could there be an unprofitable competition between the two services?

[Timofte] According to the law, the opening of the SIE toward the parliament and the coordination of its activity by Romania's Supreme Defense Council is carried out annually or when the situation requires it. This is identical with the situation when the director submits a report on the way the service carries out its duty. The fact that the SRI submits reports to the parliament and the SIE to the Supreme Defense Council means precisely that access to information that cannot be made public is limited as much as possible. Debates on such a report in the parliament might have a negative effect on the activity of the service and even on national security.

Theoretically, there is no reason why this "discrimination" should stir adverse reactions because the SIE and the SRI are in charge of completely different areas, which exclude competition. It is true that both services carry out their activity in the field of national security, but one carries out its activity inside, the other one outside, the country. No competition can arise in such circumstances. One might rather talk about cooperation because, in the activity carried out beyond the country's borders, one could encounter such situations that might affect the country's internal situation. And this is the area in which the two services, I mean all the structures of the intelligence services, have to cooperate.

SRI Leaders Implicated in Illegal Dealings

AU0604162794 Bucharest EVENIMENTUL ZILEI in Romanian 2 Apr 94 p 8

[Report by Dan Andronic: "The Former Head of the Counterespionage Division Discovered Where the SRI's Money Is Going"]

[Text] Despite the fact that several weeks have elapsed since the spectacular dismissal of Major General Gheorghe Diaconescu, the head of the SRI [Romanian Intelligence Service] Counterespionage Division, the sole explanation given by Major General Virgil Magureanu, the SRI director, was the lack of professionalism of the deposed official. That accusation seems to be childish, to say the least, considering that Major General Gheorghe Diaconescu worked in the field of counterespionage for decades and he was one of the fundamental members of the famous anti-KGB unit titled UM 0110.

Owing to the lack of openness of the SRI, we have to rely on other information to complete the picture of Major General Gheorghe Diaconescu's dismissal from his office as head of the SRI Counterespionage Division. According to such information, while investigating a number of cases in which foreign citizens were involved—a task that was among his duties—Major General Gheorghe Diaconescu stumbled across certain firms in which persons belonging to the SRI leadership, such as Major General Virgil Magureanu, the SRI director, and Major General Victor Marcu, the deputy SRI director, were also involved.

The famous filing box that was sealed [following Diaconescu's dismissal] by Major General Popa Ulpiu Cherecheanu, deputy general prosecutor, contains—or contained—files containing operative information, photographs, and audio and video cassettes proving the involvement of others, apart from the aforementioned persons in arms trafficking and other, not too clean deals. It is worth mentioning that the profit obtained from such deals is not to be found on SRI bank accounts, but rather on those of certain persons holding important state offices.

Details later.

Akashi, Izetbegovic Statements on Cease-Fire

AU0604201694 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 6 Apr 94

[Text] Before he met Radovan Karadzic in Pale, Yasushi Akashi met Alija Izetbegovic, leader of the Bosnian Muslims, in Sarajevo. Through Eurovision exchange, we received brief statements by Akashi and the leader of the Bosnian Muslims after their meeting in Sarajevo in the morning.

[Begin recording] [Akashi in English with superimposed translation in Serbo-Croatian] The attack stopped as of 1800 yesterday. However, we have to work first on a greater UNPROFOR [UN Protection Forces] presence. A larger number of armored vehicles should be sent and General Rose will go there very soon—tomorrow or the day after tomorrow. At the same time, we are determined to work on a general, global cease-fire, not only the one between Muslim and Croatian sides, but also including the Serbian side, so as to establish basis for a real, lasting, and global peace.

[Izetbegovic] As regards a general cease-fire, we are of the opinion that one should place the surrender of heavy weaponry in the center of the question. In our opinion, there will be no peace without that. [end recording]

Representatives of Bosnia, Herceg-Bosna Meet

LD0604185494 Zagreb HTV Television in Serbo-Croatian 1730 GMT 6 Apr 94

[Text] Government representatives of Bosnia-Herzegovina and the Croat republic of Herceg-Bosna met for the first time in Mostar today. Jadranko Prlic, prime minister of Herceg-Bosna, and Edi Bukvic, deputy prime minister of Bosnia-Herzegovina, and others spoke mostly about the transformation of the present governments and administrations into the government and other federal bodies. The concrete result of the talks was the setting up of joint expert groups which will be in charge of several fields and development projects. An expert group was also founded which will coordinate the present financial and customs systems of the two governments.

Also discussed were the reconstruction of the Sarajevo-Ploce railroad, posts and telecommunications, and infrastructure in the Mostar area. The participants also discussed the media, especially the responsibility of the media on both sides in the consolidation of peace and the restoration of trust between Croat and Muslim people.

Adbic Sets Condition for Joining Federation

LD0604154594 Belgrade TANJUG in English 1222 GMT 6 Apr 94

[Text] Belgrade, April 6 (TANJUG)—The Moslem Autonomous Province of Western Bosnia (APWB) would join the Moslem-Croat federation in the former Yugoslav republic of Bosnia-Herzegovina only if the Bosnian Serb republic (R.S.) joined it, APWB President Fikret Abdic has said.

Abdic told the Yugoslav magazine SVET that he welcomed every step towards a lasting peace in Bosnia-Herzegovina and that the Washington Moslem-Croat agreement was positive on condition it was not another Moslem-Croat coalition against the Serb people.

He said the war in Bosnia-Herzegovina would not stop until all three warring sides—Moslems, Serbs and Croats—were brought to the negotiating table to reach an agreement on just and lasting peace.

Abdic set out Izetbegovic was to blame for the two-year bloodshed in Bosnia-Herzegovina, although the world had without any proof largely demonized the Serb people.

Izetbegovic is not interested in peace and his fundamentalist policy is aimed solely at creating an Islamic state in the Balkans, Abdic set out and said his departure from the political stage would be a relief to everyone, most of all Moslems, said Abdic.

Abdic stated that his policy was mainly aimed at achieving peace. He said that the APWB and the R.S., the state of Bosnian Serbs, had signed an agreement on the cessation of hostilities and establishing of cooperation in the fields of economy, culture and sport.

The APWB had also signed an agreement on cooperation with the republic of Serb Krajina (R.S.K.)

The R.S.K. was proclaimed in 1991 on the ethnic and historical territories in the former Yugoslav republic of Croatia in response to Croatia's forcible secession from the former Yugoslav federation.

Abdic had also signed with the state of Bosnian Croats—Herceg-Bosna, an agreement of the same content.

According to the Moslem-controlled Sarajevo Radio, some 500 Moslems were killed and over 2,000 were wounded so far in the clashes between Izetbegovic's and Abdic's over the past six months.

A moderate Moslem politician, Abdic, opposes the belligerent policy of fundamentalist Moslem leader Alija Izetbegovic and has proclaimed the Autonomous Province of Western Bosnia (APWB) last September.

Muslim, Bosnian Croat Leaders View Federation

LD0604145094 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 6 Apr 94

[Text] [Announcer] Top officials of the governments of the Croat republic of Herceg-Bosna led by Prime Minister Jadranko Prlic and of Bosnia-Herzegovina led by Deputy Prime Minister Edib Bukvic discussed the

implementation of the Washington agreement and documents regarding the setting up of the federation of Bosnia-Herzegovina in Mostar. Zdenko Vranjes reporting from Mostar:

[Vranjes] How to coordinate regulations of the government of Bosnia-Herzegovina and the government of the Croat republic of Herceg-Bosna which are still in force in the interim period until a final solution on the future of Bosnia-Herzegovina is reached and all federal bodies are established and regulations adopted. This and other tasks stemming from the documents on the setting up of the federation of Bosnia-Herzegovina were discussed by representatives of the two governments, or two administrations as they are defined in the constitution of the federation.

A concrete result of their talks is the setting up of joint expert teams to deal with several aspects of the reconstruction project. A team of experts who are to coordinate financial and customs systems which are in force on the territories of the two governments has also been set up. They also spoke about the reconstruction of roads and railways, the Sarajevo-Ploce railway line in particular, telecommunications, and the communal infrastructure on the territory of Mostar.

Representatives of the Bosnia-Herzegovina government and the government of the Croat republic of Herzeg-Bosna have also agreed joint tasks in the resolution of the problem of refugees and displaced persons as regards their return, in which, as they concluded, it will be necessary to obtain wider support from international organizations. They also spoke about media, particularly about the responsibility of the media on both sides for the strengthening of peace and the restoration of trust between the Croat and Bosniak nations. They have also agreed meetings between ministers of the two governments which are to take place soon.

SDA: Izetbegovic Should Be Federation President

AU0504134794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 Apr 94

[Excerpt] Today, the first session of the Executive Committee of the Party of Democratic Action [SDA] was held after its number was filled at the last convention of the party on 25 and 26 March.

The implementation of the Constitution of the Federation of Bosnia-Herzegovina—adopted at the recent session of the Constituent Assembly of the Republic of Bosnia-Herzegovina—was discussed, inter alia, at the session. It was concluded that Mr. Alija Izetbegovic should be incorporated into the institution of the presidency of the future federation, and he would have the first presidential mandate. The SDA Executive Committee believes that there are very significant reasons—arising from political and moral interests of the Bosniak Muslim people—that demand such a solution. Regional and communal committees of the SDA in Bosnia-Herzegovina will be informed about this decision. [passage omitted]

Battle for Gorazde Continuing

Civilian Areas Shelled

AU0604144694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 6 Apr 94

[Report by Enes Murtovic from Gorazde]

[Text] The siren sounding general danger (?shows) that there is no peace in Gorazde again today. The chetniks [words indistinct] are shelling civilian areas and the defense lines. The highest caliber shells are again destroying the Gorazde region that borders Foca, Cajnice, and Rogatica. In the course of the day, several howitzer shells landed on the town. Even though the residents of Gorazde are in shelters all the time, the casualty figures are nevertheless [passage indistinct] (?41) women and old men. [words indistinct] arrival of General Michael Rose, commander of the UN forces in Bosnia-Herzegovina, separated the chetniks from their (?deadly) weapons for only a moment. As we send this report, explosions are once again being heard in the town's suburbs. The chetniks are also attacking the town itself.

The [word indistinct] and the suffering of the population in the protected zone of Gorazde is continuing before the eyes of the international community, which again is not taking [word indistinct] measures to stop the latest offensive by the chetniks.

This is Enes Murtovic reporting for Radio and Television Bosnia- Herzegovina from the Press Center of the Gorazde region.

Mladic on Talks With Rose

LD0604151194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1351 GMT 6 Mar 94

[Text] Sarajevo, 6 Apr (TANJUG)—The commander of the main headquarters of the Srpska republic army, general Ratko Mladic, said today that "the Muslims' mad venture in the Gorazde area has failed".

"I hope that they have learned a lesson," Mladic said. Explaining the talks today with General Michael Rose, the UNPROFOR [UN Protection Forces] commander for former Bosnia-Herzegovina, Mladic stressed in a statement for TANJUG that an agreement had been reached to send some military observers to Gorazde.

We suggested to Rose that he organize a meeting of the warring sides because we have nothing to discuss with them, either about Gorazde or about anything else. We are not at war with UNPROFOR, but we are open to discussion on all issues, including the discussion of Gorazde with the Muslim side, with UNPROFOR's mediation, general Mladic said.

'Muslim Offensive Checked'

LD0604163294 Belgrade TANJUG in English 1605 GMT 6 Apr 94

[Text] Zvornik, April 6 (TANJUG)—An all-out Moslem offensive on the Bosnian Serb republic goes on, but the Bosnian Serb army has checked Moslem onslaughts along all directions, Major-General Milan Gvero, assistant supreme commander of the Bosnian Serb army, said on Wednesday.

The most intensive Moslem offensive actions are still in the Gorazde area, a Moslem enclave in eastern Bosnia-Herzegovina, Gen. Gvero told TANJUG.

Gen. Gvero believes that, after a series of military defeats, the Moslem side will realize that the problem of Bosnia-Herzegovina can only be resolved through negotiations, to the end of which the Serb side has been making continued efforts.

Bosnian Serb army sources said that Serb localities and Bosnian Serb army positions in the Sava valley, northern Bosnia, have been attacked from mortars and other weapons along a number of directions, while Brcko came under multiple rocket-launcher fire.

In northern Bosnia, Moslem attacks continue on Bosnian Serb army positions and Serb localities in Mt. Ozren and Vlasic, the Doboj area, and so do offensive actions from the broader area of Orasje, a town in northern Bosnia.

Moslem attacks from the direction of Prus on Serb defence lines in the Vrbas valley, central Bosnia, have been intensive, while fighting in the direction of the Kupres plateau and Bihac in western Bosnia has resumed.

In Sarajevo, Moslem provocations from infantry weapons on the Serb-populated sections of the city, do not cease.

The Bosnian Serb army is successfully preventing frequent attempts of infiltration of Moslem terrorist-commando groups into the the Serb forces' rear, Gen. Gvero said.

UN Observers Arrive

AU0704101894 Paris AFP in English 0928 GMT 7 Apr 94

[Text] Sarajevo, April 7 (AFP)—A team of 11 UN observers and liaison officers arrived in the eastern Bosnian Moslem enclave of Gorazde Thursday, a United Nations spokesman said.

UN Protection Force (UNPROFOR) spokesman Major Rob Annink said eight armed UNPROFOR officers and three unarmed military observers had reached the enclave, where more than 60 people are reported to have died since a Bosnian Serb offensive began 10 days ago.

The team, which set out from Sarajevo, was stopped by Serb forces at Rogatica, around 40 kilometres (25 miles) from Gorazde, the spokesman said.

They were held up for several hours for administrative formalities despite having received all necessary authorisation, Annink said.

UN: 'Gorazde No Longer Under Attack'

AU0604165794 Paris AFP in English 1637 GMT 6 Apr 94

[Text] United Nations, April 6 (AFP)—Bosnian Serbs besieging the Moslem enclave of Gorazde in Bosnia-Herzegovina stopped their shelling late Wednesday [6 April], a UN spokesman said Wednesday.

"Gorazde is no longer under attack since 1800 local time," the spokesman, Joe Sills said.

Sills said that the UN representative in Bosnia Yasushi Akashi had received assurance from the Bosnian Serbs that the attacks would not resume.

Attacks 'Abated Somewhat'

AU0704091994

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 7 April carries in its regular 8-minute newscast two reports on the current situation in Gorazde and Bihac.

Gorazde correspondent Enes Musovic reports that "after yesterday's extremely dramatic day, the aggressor's artillery fire and infantry attacks abated somewhat overnight. However, information from the farthest points of Gorazde's outskirts confirms that fierce fighting for the still free Gorazde is yet to come. The chetniks have been regrouping their forces all night in the areas of Peljin, Potkozara, Priselje, Trebinjaca, Postaja, and Rogatica. The aggressor is continuously bringing in fresh manpower and deadly weaponry. Over 350 mortars and howitzers, 46 tanks, and a supporting tank battalion already encircle Gorazde, while the aggressor, undisturbed, in full view of the international community, continues to kill and torture the civilian population in Gorazde, destroy residential and industrial areas, torch (?schools), destroy bridges."

Reporting from Bihac, correspondent Mirza Sadikovic says that "today marks the second month of the Serbian aggressor's fiercest offensive at the Bihac Commune. The offensive attacks, which began last night, continue this morning. Karadzic's terrorists used howitzers and tanks to shell Bihac [words indistinct]. They also intensified their artillery attacks at the defense lines on Grabez and the Grmusko-Srbljanski plateau."

"The attacks of the paramilitary forces of the so-called Kladusa autonomy at the outskirts of Cazin have been going on all night and have continued this morning. The autonomists are attacking Hadzici and the wider areas of

(?Krivaja) and (?Tajici) with 60-mm and 80-mm mortars, armor-piercing weapons, and antiaircraft weapons, while infantry provocations have been reported on all the other demarcation lines. It is evident that the chetniks and the autonomists continue to coordinate their attacks [words indistinct] at the wider area of (?Osmaka) on the Buzim part of the front."

'Turnabout' in Battle

AU0604165894 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 6 Apr 94

[Report by Jelena Dabarcic from Gorazde region]

[Text] A turnabout took place on the section of the battlefields between Gorazde, Cajnice, and Foca yesterday. Serbian fighters who managed to break up the strong Muslim offensive from Gorazde, despite cold weather today continued expelling Muslim soldiers from the remaining bunkers and strongholds in the direction of Viskovici and Gorazde. A veritable chaos is reigning in the units of the so-called Army of Bosnia-Herzegovina in this region and some mutual showdowns have taken place among them, that is, between those people who want to cross the Drina from its right bank to the left bank and the police forces who are making this impossible. Fighters from the units of the army of the Srpska republic are very carefully clearing the minefields that the Muslims have set everywhere.

Major Andjelko Milicevic from the Command of the Joint Serbian Forces said this morning that Serbian fighters, starting from the directions of (Faljika) and Trebinjaca yesterday neutralized all enemy's firing positions without having suffered any losses themselves and took control over some typically Serbian places that were occupied by Islamic fanatics. The Serbian village of (Kirin), only half a kilometer away from Viskovici, was thereby liberated.

The Command of the Joint Serbian Forces points out that the Muslim Army has suffered great losses, thereby denying Muslim [Sarajevo] radio reports that there were casualties among civilians.

16 Serbs Killed

LD0604214294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 6 Apr 94

[Report by Enes Musovic from the Gorazde Press Center for Bosnia-Herzegovina Radio-Television]

[Text] Chetniks today continued their bloody offensive against Gorazde unhindered and with their ferocity unabated. They are getting closer and closer to the center of the town. The chetniks are destroying and torching everything in their path along the road which they had previously showered with shells. They are destroying house after house in Vitkovici, Baljci, and Zupnici. A stream of refugees is pouring in the town itself and its residents do not know where to go or what to do. Many people, mostly women, children, and the elderly have remained among the ruins, on the charred remains of their homes under the chetnik boot, which is blind to everything but a desire to kill and conquer.

They launched their most ferocious offensive using tanks and other weapons against (?Bilin). From one of their notorious strongholds—Cajnice Kozara—they are trying to organize a tank and infantry breakthrough toward Donja Potkozara and Zupcici in order to further tighten the ring around the town center.

Members of the Bosnia-Herzegovina Army, under the command of the eastern Bosnian operational zone and units of the Gorazde MUP [Ministry of Interior], are putting up a remarkable resistance to the aggressor. Even those with light injuries—having received first aid—are returning of their own free will to help their fellow fighters in order to save the free Gorazde territory.

Mature and younger women are willingly joining our army units. Their message is that they will defend this free territory to the last. The latest reports, which we received just before this bulletin from the furthest locations on the front—Dobrijevici, Cador, and (?Vrazalici)—say that the situation here has been infernal both in early evening and throughout the day. On several occasions the chetniks launched combined artillery-infantry attacks in an attempt to break through the defense line, but Gorazde's courageous defenders repelled all attacks inflicting heavy losses on the enemy.

Heavy fighting was today also reported on the front between Kopaci and Ustipraca, where Bosnia-Herzegovina Army fighters repelled the aggressor's attacks in an efficient action.

This afternoon, chetniks attempted an infantry breakthrough toward Uhotici Brdo, but were taught a real lesson when our defenders responded with efficiency, putting 16 chetniks out of action and wounding a large number of them.

Gorazde citizens were today awaiting General Rose's arrival as a ray of hope and salvation, but the conscience of mankind has once again failed the test and Gorazde is once again dying alone.

Rijad Rasic, the president of the region's assembly, and Gorazde Mayor Ismet Briga, today sent an open letter to the U.S. President, NATO, the chairman of the UN Security Council, the UN secretary general, the president of the ICO [Islamic Conference Organization], the EU [European Union], the president of France, the prime minister of Great Britain, and all world media.

The letter reads: Dear gentlemen, you who know about the difficult and dramatic situation in Gorazde caused by the several- day-long offensive against the town by the Serb and Montenegrin aggressors, you have allowed a high-ranking UNPROFOR [UN Protection Forces] officer, General Michael Rose, and the aggressor's side to play with the fate of thousands of people. You denied us

the right to self-defense two years ago when you introduced the arms embargo, and your officers—in open cooperation with the aggressor's side—are now denying us the right to live.

While the (?surroundings) and the valley of Gorazde are in flames, and shells are destroying the town, high-ranking UNPROFOR officer, Gen. Michael Rose, is using cheap tricks to avoid visiting Gorazde, thereby deliberately making it possible for the aggressor to destroy what has not been destroyed yet and to kill who has not been killed. Gen. Michael Rose's failure to come here has not come as a great surprise to the Gorazde residents. We are now certain about something we guessed at before: The international community has taken part in the plot against this nation only because it has its own culture, its own past, and its own religion different from the religion of those who are killing us and those who have the moral and legal obligation—assumed by international conventions— to help us.

You, who promised a just peace to the protected zone of Gorazde, are now enabling the aggressor to kill innocent civilians every day, to destroy the town, the industrial infrastructure, and the homes of those who have survived the two years of trauma caused by the aggressor's shells.

The Gorazde residents have sent appeals to the international community on several occasions, asking it to halt (?repeated) massacres in the valley of the Drina River. Now we can see and feel that it was all in vain. This is why we are addressing you for the last time, warning you that our suffering will lie on your conscience. Dear gentlemen, we will no longer remind you of your resolutions referring to the UN Protected Area of Gorazde. Let the future generations judge your attitude, and everything you had to do but failed to do for this nation.

This is stated in an open letter by Gorazde Assembly President Rijad Rasic and Gorazde Mayor Ismet Briga.

Serb-Muslim, Inter-Muslim Fighting Resumes

LD0604223394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 6 Apr 94

[Text] The 59th day of the Serb aggressor's offensive on the Bihac region was marked by fresh attacks on civilian targets, industrial areas, and defense lines. The industrial area in Bihac was hit by a number of artillery shells and one woman was killed. The Serb aggressor shelled defense lines on Mount Grabez and the Grmusa-Srbljani plateau throughout the day. However, the soldiers of our army destroyed yet another aggressor tank in an energetic counterattack.

Members of the paramilitary units of the so-called Kladusa Autonomy [Autonomous Province of Western Bosnia—declared by Fikret Abdic] used mortars to shell the Cazin municipality [area loyal to Izetbegovic]. One person was killed and another one seriously wounded.

Karadzic Says Serbs May Concede Some Territory

AU0604163194 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 6 Apr 94

[Report by Marica Lalovic from Pale]

[Text] Radovan Karadzic, president of the Srpska republic, held talks with Yasushi Akashi, special envoy to the UN secretary general, in Pale today. Akashi said afterwards that the talks mainly focused on the situation in Gorazde and the corridor leading toward the town. He expressed the hope that the United Nations Protection Forces [UNPROFOR] will visit the town soon in order to acquaint themselves with the real situation in the field and the (?possible) level of damage that was caused in the most recent battles. At the same time, he said that UNPROFOR will strive to do everything with a view to establishing a cease-fire [words indistinct] of the former Bosnia-Herzegovina. For a complete and whole peace in this region, the agreement between the Croats and the Muslims will not suffice. The third—Serbian side—must be included with a view to establishing a lasting peace and a lasting solution. On the basis of an agreement of all three sides, one should build peace and demilitarization of the former Bosnia-Herzegovina, Akashi said.

Radovan Karadzic pointed out that Gorazde and the territory surrounding it is only a small part of the front and the great Muslim offensive that is taking place on all sections of the line of separation with the Serbian forces. The Serbian side offered to the Muslims peace and to have the battles stopped on all sections of the battlefield, as one cannot solve the conflict partially—that is, where it suits the Muslims. We are ready, Dr. Karadzic said, to make it possible for military observers to enter Gorazde so they can see for themselves that the town is not endangered and that battles are waged only where Muslims attacked the Serbian forces. At the same time, he stressed that the Serbian side does not want any more territories, that it is ready to concede certain percentages of what it currently has under control, and one should believe the Serbs when they say that offensives and war are not in their interest. However, if the Muslims attack, they run the risk of gambling with their own territory and their lives. They may lose much more than they could win with peace, Dr. Karadzic said. At the same time, he demanded that the international community not help the Muslims feel secure in regions where they do not have a military advantage or to help them where the Serbs have a military advantage so that they may again feel more secure there.

Therefore, one needs an equal treatment and warning sign to the Muslims that through gambling and war, they could lose a lot. When such large-scale battles are being waged, percentages do not mean anything, Karadzic said, and reiterated that we are ready to give a part of the territory, but only in exchange for a lasting peace. He demanded that members of the peace forces pay attention to the possibility of survival of the Muslim-Croat federation and the Serbian entity on these regions. The

Serbian side has nothing against this federation, as long as it is not directed against them. We have our own territory; we have our republic, which is a reality, and we should be allowed to survive. With time, these two states—the Srpska republic and the Muslim-Croatian federation—will establish some kind of relations to the extent that the peoples would want and would allow.

Karadzic Order on Investigating Prijedor

LD0304182294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1730 GMT 3 Apr 94

[Text] Belgrade, 3 Apr (TANJUG)—President of the Srpska republic [RS] Radovan Karadzic today issued an order to all bodies of the Ministry of Internal Affairs, military security bodies, and control points in the RS to urgently investigate the crimes in Prijedor and to secure full safety and freedom of movement of personnel of the International Committee of the Red Cross [ICRC].

The order, forwarded to TANJUG, says:

In keeping with our obligations to international humanitarian law I order the following:

To take all necessary measures to investigate crimes committed in the Srpska republic, particularly in Prijedor;

To take all other actions needed to suppress extremism and secure the safety of members of national minorities who wish to stay in our republic;

To remove all administrative obstacles to free movement of civilians who wish to leave in an operation organized by the ICRC;

To secure police escort for all ICRC convoys, especially in the Prijedor area;

All our bodies have the duty to provide full safety for ICRC personnel and civilians who decide to leave the RS under ICRC protection. Any objections to the conduct of the ICRC personnel must not be used as a pretext to threaten their safety. The office of the president of the republic is to be informed about any objections to the ICRC's conduct;

To secure free passage across the Srpska republic borders to all ICRC convoys announced in advance and to exercise routine control;

Failure to comply or fully to comply with the order entails the highest degree of accountability.

A copy of the order will be forwarded to the ICRC to be used at checkpoints to avoid any possible misunderstandings.

Mostar Refugees To Be Repatriated by Croatia

AU0604201394 Paris AFP in English 1954 GMT 6 Apr 94

[Text] Zagreb, April 6 (AFP)—Around 15,000 people who fled fighting in Mostar, south Bosnia, are to return home from refugee camps in Croatia, according to a Croatian Refugee Office statement issued Wednesday [6 April].

Croat authorities decided on Tuesday to withdraw refugee status from those concerned, who were forced to flee fighting between Moslems and Croats in the Mostar region in spring 1993.

The authorities said hostilities in the region between the two sides had ceased some time ago.

The statement said the repatriation followed "a growing number of requests from people from Mostar" and did not involve sending back "invalids, sick people and all those whose houses or apartments have been destroyed."

According to the statement, the refugees will return home gradually and with the full collaboration of the local authorities in Mostar.

Serbian Women Blocking French UN Troops

AU0604154194 Paris AFP in English 1514 GMT 6 Apr 94

[Text] Sarajevo, April 6 (AFP)—A convoy of French UN peacekeepers has been held up for a week by around 100 Serb women in a village near Sarajevo, a spokesman for UN Protection Forces [UNPROFOR] said here Wednesday [6 April].

The women who have blocked 34 military staff and 16 army vehicles since March 31 in the village of Hadzici are demanding the release of their husbands, held captive by mainly Moslem Bosnian government troops.

The convoy from the French Second Battalion was travelling from Sarajevo to Split when it was held up in Hadzici, 20 kilometers (12 miles) west of the Bosnian capital.

"They are in constant contact with their unit, either in person or by radio, the situation is very calm and they are not at risk," Lieutenant Colonel Richard Pernod, spokesman for UNPROFOR in Sarajevo, told AFP.

Top-level negotiations to free the convoy were continuing Wednesday after a week of fruitless talks.

UNPROFOR civil affairs chief for former Yugoslavia Sergio Vieira de Mello tried to find a breakthrough Tuesday when he met Nikola Koljevic, deputy leader of the Bosnian Serbs, in the Serb headquarters at Pale near Sarajevo.

But Koljevic said the Pale authorities had no real control over Serbs in Hadzici, UNPROFOR spokesman Rob

Annink said Wednesday, adding that Mello believed the convoy would be released soon.

Data on Bosnian Serb Army

94BA0219A Ljubljana DNEVNIK in Slovene
8 Mar 94 p 9

[Article by Zeljko Katancic: "Accumulated (Obsolete) Equipment"]

[Text] *According to published data, the Federal Republic of Yugoslavia [FRY] has spent half a billion dollars for the war in Bosnia-Herzegovina; the guerrilla battalions, of which they are reportedly 26, are the most dangerous to the peacekeeping forces' units.*

In a certain sense, the present situation in Bosnia-Herzegovina could also be considered as a cat playing with a mouse. The Serbs already thought that with Russian backing they had escaped the West's excessively severe pressure, but they were obviously mistaken. By shooting down four aircraft, the West proved that it was nevertheless serious about it, and consequently what the Bosnian Serbs are doing now is perhaps extremely risky. Obviously the spokesman for the international peacekeeping forces in Sarajevo did not say too loudly that the Serbs had renewed their attacks within the 20-kilometer protected zone around Sarajevo and were also using heavy weapons in doing so. The guarantee by General Rose that trucks would take humanitarian aid throughout Bosnia without asking anyone at all for permission also had its purpose. Perhaps something even worse than the downing of the four aircraft may really happen during the coming days.

It will therefore not be superfluous to know what the NATO aircraft and the international peacekeeping forces' infantry will have to deal with if they do decide to punish those who are challenging them too much. The loudest and most dangerous among them are the Bosnian Serbs, who are also the best armed.

Western intelligence services have surely collected quite solid data on the positions that they would have to destroy. There are somewhat fewer than 3,000 such targets on the Bosnian Serbs' side. They include 460 tanks, 300 armored personnel carriers, 50 self-propelled howitzers and 30 self-propelled cannons, 77 multiple rocket launchers for Plamen missiles, six missile launchers for the more powerful Orkan missiles, and 10 missile launchers for the already known Luna missiles, of which one missile launcher is near Sarajevo.

In about 180 barracks and military posts, there are approximately 80,000 military conscripts, many of whom were only recently called up. Approximately 50,000 of them are soldiers from the permanent forces of the army of the self-styled Srpska republic.

The Serbian air defense has old short-range, medium-range, and long-range missiles and artillery systems. Western military experts are quite familiar with them, and consequently it will not be difficult for their pilots and infantry to find and destroy them. According to some information, there are supposed to be 67 positions with the Dvina and Neva missiles, better known by the Western designators SAM-2 and SAM-3, and Cub missiles, or SAM-6 according to their Western designator. There is probably a missile launcher with three missiles at each position.

Also quite probable is the fact that every year about 80,000 fresh conscripts from the Serbian-Montenegrin army and its reservists complete at least part of their military service, if not all of it, as reserves in the army of the Srpska republic.

The Serbian guerrilla battalions are still the most dangerous to the infantry and armored units of the international peacekeeping forces. There are reportedly 26 such battalions, with from 550 to 780 soldiers in each of them. That means about 20,000 well-trained and hardened Serbian warriors.

That army operates with very good coordination with the Serbian rebels in Croatia. Fresh conscripts and reservists from the Serbian-Montenegrin army also perform part of their military service in the so-called Serbian Krajinas. Every year about 40,000 of them discharge their "patriotic" duty in the army of the self-styled republic of Serbian Krajina.

According to published data, last year and this year the Serbian-Montenegrin Yugoslavia spent a full $1.5 billion for the war in Bosnia-Herzegovina, and approximately an additional $650 million to aid the people of the Krajinas in Croatia. The Serbian armies in Croatia and Bosnia receive approximately 40 percent of even more of everything produced by the rebuilt defense industry of the former and present Yugoslavia. The Serbian armies in Croatia and Bosnia consist of 130,000-160,000 soldiers. Most of them are reservists who were called up recently.

The latest events have also pointed out the Serbian armies' quite strong air force. According to some information, the one in Bosnia is supposed to have over 50 combat aircraft. They are deployed at three of the eight airports that are on the territory controlled by the Serbs in Bosnia and in Croatia.

All of the former Yugoslavia was thoroughly prepared for some sort of general popular war. On its territory there were about 3,000 areas that were suitable for mobile military airports, and about 100 of them are on the territory of Bosnia-Herzegovina. The Bosnian Serbs' air force has its main bases in Mahovljani and Zaluzani near Banja Luka, and at temporary airports near Bosansko Grahovo, and there are also some Serbian aircraft in neighboring Croatia near Udbina.

Until now, the army of the self-styled republic of Srpska had 75 aircraft and helicopters. About 20 helicopters were intended for transportation and communications. The aircraft include five MiG-21's, 12 Jastrebs that are

already old, and 16 G-4 Super Galebs. The Bosnian and Croatian Serbs are supposed to have about 14 of the larger and more powerful Orel fighter-bombers. Intelligence services have observed 17 MI-8 and 17 Gazelle helicopters, and eight Gama military helicopters. The latter are most often observed in the vicinity of Bihac and the Cazin Krajina.

Some intelligence data also mention 12 MI-8 transport helicopters, which are mostly under repair. These are older helicopters whose service life has already expired.

Future War Activities in Bosnia Discussed

94BA0227A Belgrade NIN in Serbo-Croatian 11 Mar 94 p 14

[Article by Vladimir Jovanovic: "March Toward the Drina"]

[Text] *Even though it seems to some people that peace is coming to Bosnia, soldiers, above all the strategists of the Bosnia-Herzegovina Army, do not think so at all.*

It is not yet known whether the agreement between Sarajevo and Zagreb will also mean a renewal of the Croatian-Bosnian military alliance against the Serbs. Press agency reports talk about a resumption of "low-intensity" combat "in central Bosnia and in the Neretva Valley." Although the agreement provides for the establishment of a unified military command—which means that the HVO [Croatian Defense Council] would also have to be placed under the command of the Bosnian generals—it appears that the time is not yet ripe for such an outcome. U.S. General John Galvin's mission will probably be aimed in that direction.

Serbian military sources, however, report certain movements by Bosnian forces in the direction of the Drina front and toward the broader Doboj region, which is the key to controlling vital transportation routes in northern Bosnia. The story about a Bosnian "spring" offensive, which has been announced ever since last October, is still current.

It appears that the key moment in consolidating the Bosnian army's ranks was Haris Silajdzic's becoming prime minister in Sarajevo. At that moment (at the end of September 1993) about nine-tenths of Sarajevo residents (according to Radio Bosnia-Herzegovina) did not support the policy of a military solution to the problem of Bosnian access to the sea and the Sava.

Is the firm course, however, changing things radically? The Croatian forces were destroyed in central Bosnia and in November Vares fell, thus territorially linking the Tuzla region with Zenica. The Bosnia-Herzegovina Army is organized into six corps: the First (Sarajevo) Corps, the Second (Tuzla) Corps, the Third (Zenica) Corps, the Fourth (Mostar) Corps, the Fifth (Bihac) Corps, and the Sixth (Travnik) Corps. Several independent brigades have also been formed, the most combative of which is the Seventh. There are also operational groups that function under special conditions.

The officer corps consists mainly of former JNA [Yugoslav People's Army] officers, only two of whom have finished the War (Generals') School: General Rasim Delic, commander of the Bosnian General Staff, and his deputy, General Jovan Divljak. The Bosnian army is estimated to have about 200,000 soldiers. The General Staff is located in Sarajevo, and commands are conveyed primarily through satellite communications.

Quality and Quantity

In a Bosnia-Herzegovina TV interview, Alija Izetbegovic said on 24 February that "we are capturing weapons from the enemy, we produce some, and we are trying to import them through certain paths and mountain passes," but undoubtedly weapons are being independently produced to the greatest extent. Belgrade military sources claim that certain weapons are procured within the framework of the "airdrop operation." Clearly, however, that these are negligible amounts. The conflict with Croatian units—which was resolved to a considerable extent in Bosnia's favor—brought Sarajevo control over significant defense industry resources in Konjic (a munitions factory), Travnik (cannons), Bugojno (detonators for artillery weapons), and also in Gorazde, Zenica, and Tuzla.

After the successful operations against HVO units in November, there were certain disagreements between Bosnian politicians and individual high-level Bosnia-Herzegovina Army officers. Apparently rotations have been frequent because of that. A person who militarily ensured that the area of the Bihac region would remain mainly (two-thirds) under the central government's control, Col. Ramiz Drekovic, was withdrawn a bit mysteriously, to be replaced by Col. Atif Dudakovic. Drekovic is now the commander of the Mostar Corps. An officer credited with succeeding in keeping part of Mostar under Bosnian control, Col. Arif Pasalic, is currently Bosnia-Herzegovina's deputy defense minister. It is believed that Pasalic is one of the supporters of an assault, a southern Bosnian Reconquista, toward the Adriatic Sea. It is claimed, however, that there is a plan, prepared as early as last year, to break through to the Peljesac peninsula by mid-May!

Are the latest events changing things radically? The demilitarization of Sarajevo is freeing up at least 45,000 soldiers in the Bosnia-Herzegovina Army's Sarajevo Corps, and those forces, according to many sources, are already being deployed on other fronts. If there is some kind of peace between the Croats and Bosnians—with American guarantees, perhaps in the form of the demilitarization of Mostar and some cities in central Bosnia—then offensive operations by the Bosnia-Herzegovina Army against Serbian positions are quite possible.

A possible Croatian-Bosnian peace will probably renew the establishment of Sarajevo's ground corridors with the sea, and thus the Bosnia-Herzegovina Army's arms build-up could become more intensive.

The war is declining in quality (armament) and gaining in quantity (the mass nature of the armies). The forces of the republic of Srpska [RS] are stretched over an enormous front: in the west, up to Bosanska Krupa, to the eastern enclaves along the broader zone of the bank of the Drina, and in the north to Brcko, and to Popovo Polje in the south. Because of the crisis over the airport near Tuzla, the headquarters in Pale issued a mobilization order. In spite of that, it is estimated that the Serbian forces do not have enough personnel.

Stormy Reaction

Serbian control over eastern Bosnia is currently perhaps the most critical: three enclaves (Zepa, Srebrenica, and Gorazde) are arousing the Bosnian General Staff's hope that a military breakthrough to the Drina is possible. It was heard last week from well-informed Belgrade sources (Warlord Seselj) that the "surrender" of those three enclaves was being considered. That, however, implies Bosnian territorial continuity—and there is still no support for it in Pale (and the commands inside the bunkers in Han-Pijesak).

Things are changing with incredible speed. The treacherous mutual tapping on the shoulders of the Serbian and Croatian sides culminated at the end of January in the Milosevic-Tudjman military pact. According to that plan, the RS army was supposed to penetrate the Bosnian defense near Olovo and proceed along the valley of the Krivaja River in order to join up with its forces on Ozren mountain, southeast of Doboj. The Croats would transfer a large number of Croatian Army regular troops to the Lasva valley in order to intensify the pressure and thus facilitate the RS army's action. On the other hand, from the Croatian enclaves near the central course of the Bosna—Zavidovici and Zepce—HVO units were supposed to strike at the Bosnian army from behind when the latter moved to prevent the Serbs' breakthrough along the Krivaja River.

The purpose of the operation was clear: to break up the territory under Bosnian control into three parts, thus accelerating principally a bilateral partition of Bosnia, and thereby a happy conclusion of the war as well. In the intelligence field, this would mean encouraging new Muslim autonomist ambitions (like Fikret Abdic). The West, however, is reacting stormily: It is raising a fuss over the hitherto nonexistent problem of the Tuzla airport, with the intention of frustrating the Serbian army's possible intentions of beginning a strike against this city, and thus extending the three critical kilometers of the corridor near Brcko into the interior, toward the south. The Croats were seriously threatened with sanctions, and the (perhaps unplanned) demilitarization of Sarajevo is freeing up enormous Bosnian troops from and around Sarajevo, which are repelling the Croatian offensive against Gornji Vakuf and in the Lasva valley....

Military assessments now indicate that in the long term, Sarajevo has been militarily lost to the Serbian side. The announced "normalization" of life in the city and its vicinity will probably mean the establishment of transportation links between the Bosnian capital and Zenica through Visoko and with Tuzla through the northern Olovo-Kladanj route. It is believed that there are about 650,000 people in that region, mostly refugees from Zvornik, Bratunac, Bjeljina, and so forth. The Bosnia-Herzegovina Army's military forces in Tuzla, however, are relatively poorly armed, but it is believed that it would have to be the future nucleus of a massive strike against the Serbian front lines on the left bank of the Drina.

[Box, p 15]

Secret SAS Mission

The London Sunday Express reported last week that an elite SAS [Special Air Service] British Army unit had been sent to Bosnia on a secret mission to discover Serbian, Bosnian, and Croatian heavy weapons. It is believed, however, that the number of missions for which this unit was sent to Bosnia is much higher. The SAS consists of the 21st, 22d, and 23d Regiments, the 264th Communications Company, and the Commando-45 Paratrooper-Reconnaissance Regiment. It is most likely that parts of the 22d Regiment, located in Herestford with black berets, were sent to Bosnia. SAS units also successfully passed a test in the Falklands war when their commands reported on enemy movements and positions. In "Desert Storm," they proved to be more successful than the U.S. "Green Berets."

Their arrival in Bosnia is being associated with Serbian politicians' and generals' serious threats against the Blue Helmets in the event of international military intervention. The Serbian General Staff in Bosnia is now located in Han-Pijesak in eastern Bosnia, in a bomb shelter. Orders are issued from it by cable to units in all parts of the battlefield. This avoids the possibility of radar interference or the interception of command instructions.

The SAS's biggest success during the Gulf war, however, is considered to be putting out of commission the underground communications cables between the Iraqi units in Kuwait and the command post in Basra. SAS units are infiltrated deep into the enemy's rear in order to capture or liquidate high-level politicians or officers. They are transported there by helicopters with special navigation equipment. During one characteristic attack against the Iraqi rear an SAS strike group blew up a bomb shelter in which there were 450 Iraqi soldiers and officers. The commander of the UN forces in Bosnia, General Sir Michael Rose, is a member of the SAS.

The Bosnian Serbs also have special units, the best known of which are the "Panthers" from Bijeljina. The HVO commander, General Ante Ros, was a member of

the French Foreign Legion. Before assuming his present position, he was chief of the Croatian Army's Special Forces Command.

Mladic's Link to FRY Military Leadership

94BA0227B Belgrade NIN in Serbo-Croatian 11 Mar 94 p 16

[Article by Dragan Cicic: "The Old School"]

[Text] *It is believed that Ratko Mladic is a champion of part of Yugoslavia's military leadership which is using him to ensure its autonomy from political structures on both sides of the Drina.*

Three weeks ago, during the withdrawal of the Serbian artillery from the vicinity of Sarajevo, rumors appeared that General Ratko Mladic's "career was over." The same sources—people close to the military and political leadership of the republic of Srpska [RS]—quickly denied their own story. Few people, however, failed to notice that General Mladic has been seen less and less often in public, and that his chief of staff, General Manojlo Milovanovic, is speaking up more and more often.

In the latter's appearances, a certain "dropping of the ball" has been evident, that is, a certain spirit of conciliation that has underlined Mladic's uncompromising attitude even more. After all, the acceptance of NATO's ultimatum, wrapped up in the guise of a Russian diplomatic initiative, had to appear to Mladic like a personal defeat. On 10 February 1994, he stated to the newspaper VOJSKA (the Army of Yugoslavia's organ): "As far as I am concerned, the war will symbolically be over for me when the Muslims surrender their weapons to me in the same Volunteer Street (the center of Sarajevo) in which they committed a disgraceful attack and crime against the former JNA's [Yugoslav People's Army] military column."

Theoretician

Mladic showed that he had not given up this position just a few days before the expiration of the ultimatum, when he suddenly came out with the assertion that the RS army, which had then already begun to withdraw, would not withdraw.

The episode with the ultimatum, in addition to being a good illustration of Mladic's attitudes, also indicates the outlines of the extent of his influence. Specifically, the final withdrawal could not be started, in spite of Karadzic's acceptance of the obligation, before Mladic talked with Vitaliy Churkin in Belgrade in the Federal Assembly's offices on Thursday, 17 February, three days before the expiration of the ultimatum. They say that the general was very furious and quite unpleasant to that emissary, who made it clear to him that he had to withdraw or suffer very serious consequences. In the end, however, he had to accept the demand.

Where does Mladic get so much power that international negotiators' direct contact with this general is essential for the success of an agreement that has already been accepted by the RS's political leadership? The fact is that Ratko Mladic is a legend among the Bosnian Serbs. He began to gain his fame back during the war in the Krajina by carrying out rapid and harsh offensive actions. He also used the same approach in pushing through the corridor that was a sine qua non for the survival of the RS. There is no doubt that Mladic is a competent officer. He is considered to be one of the few people in the former JNA who studied Clausewitz, Sun Tsu Wu, and other theoreticians in detail. He did not limit himself to just planning operations, however: He often sat in an armored vehicle himself and led the attack. With these and similar steps, he succeeded in establishing himself among the people as "a Serbian officer of the old school."

Back in Knin he was also inclined toward political maneuvering, and he continued to follow that course after his transfer to Bosnia. Many people think that he most used his influence for political purposes during last year's Bijeljina session, and then the Pale session, of the RS Assembly, when the Vance-Owen plan was rejected. At that time Zeljko "Arkan" Raznjatovic showered Mladic with abuse, accusing him of "ordering the deputies to reject the plan" accepted by Slobodan Milosevic and the Serbian leadership.

The fact that all of that did not shake Mladic's position shows that no matter how skillful he is, this general is not just acting on his own behalf. Sources close to the RS military and political leadership claim that Ratko Mladic is actually a very direct champion of part of the Army of Yugoslavia's military leadership. According to those sources, Radovan Karadzic's influence over the RS army is negligible. Allegedly, through Mladic part of Yugoslavia's military leadership is ensuring that it keeps considerable autonomy from Federal Republic of Yugoslavia political structures.

If influential circles in the Army of Yugoslavia really want to keep at least partial political influence and relative independence from the civilian authorities, there is nothing more useful for those purposes than the existence of the war conflagration in Bosnia. Those circumstances immeasurably increase the army's importance and ensure that it has influence over the adoption of political decisions that depend to a great extent on the assessments offered by military circles.

The downing of the aircraft over Bosnia is introducing new elements in this story. Although it turned out, according to the UN's findings, that the four aircraft took off from the Udbina airport in the republic of Serbian Krajina [RSK], it is hard to believe that it all happened without the RS army's involvement.

Airport

Furthermore, several hours after the aircraft were shot down, artillery fire was opened against Tuzla. There was

a fierce response to it, at a time when a political agreement on opening the Tuzla airport was already on the way. That was later confirmed in Moscow, once again in spite of Mladic's explicit opposition. "In connection with the story about intervention, people are asking me why I did not allow UNPROFOR [UN Protection Forces] tanks to come to Bosnia and why the Serbian side is opposing the opening of the Tuzla airport.... But when they land planes in Tuzla, that will be an open threat against Belgrade as well! It is a 'step by step' occupation," Mladic told VOJSKA.

In spite of everything, however, there are no signs that any sort of campaign is being started against Mladic. In a way there is still a sort of balance of power and the conflict is not too severe. One analyst has described all the recent steps by the RS that do not follow Milosevic's and Karadzic's policy as "petty malice." The military structures both here and in the RS will hardly venture to engage in any more serious confrontation. Their financial position, in fact, is such that they are extremely dependent upon the state budget. The bond announced a month ago for the RS army has allegedly collected 200,000 German marks. The amount appears large, but it is only enough for a tank battalion (27 tanks) to operate for two days.

On the other hand, Mladic's popularity and the support of part of the military establishment are securing his position for the time being, provided that there is no serious clash with the Serbian leadership. "Someone will hardly make a decision to replace Mladic as long as the war is going on," says one person familiar with the situation in Bosnia.

Super Dinar in Krajinas Seen as 'Untenable'

94BA0227C Belgrade NIN in Serbo-Croatian
11 Mar 94 p 27

[Article by Dr. Mladen Ivanic of the Banja Luka Economic School: "Theoretically Untenable"]

[Text] *In a similar way the Krajinas "have already been" in Germany's monetary system, because they could have German marks—by exchanging other currencies or by exporting goods and services—just as is the case now with Yugoslavia and the dinar.*

More than a month has passed since the new economic program was launched on the territory of the Federal Republic of Yugoslavia [FRY]. At the same time, on the territory of the republic of Srpska [RS] and the republic of Serbian Krajina [RSK], there has been virtually no money of any kind for three months now (except for the German mark, naturally), and so the economies of these areas have functioned without their own money. It is not necessary to talk about what kind of fatal consequences this has had for the state of fiscal discipline. It is interesting that that situation has been explained by the authorities, which in normal conditions would quite certainly have lost their position long ago because of the absence of money, wages, and taxes, in terms of the need to create the preconditions for union with Serbia and Yugoslavia, by failing to issue their own money.

That logic would mean that the economy should be put in a difficult position so that inclusion in the FRY's monetary system would be a cheap solution. It is necessary to recall, however, that even at the moment that this article is being written, the dinar has not fully functioned in the areas west of the Drina, even though those in power have announced that several times. It seems that "Mother Serbia" is much more reserved toward her daughters, than the daughters' desire for their mother to take them back under her auspices.

That is also demonstrated by several facts.

First, the RS and the RSK do not appear in the program anywhere. All the balance-sheets for public and budget spending have been created for the FRY independently, and one of the tasks was reducing "aid" to the Krajinas to 5 percent of the social product.

Second, not one economist from the countries west of the Drina participated in creating the program, nor was the state of the economy in those areas a subject of interest to the economists who worked on the program.

Third, although the authorities in both countries west of the Drina adopted a decision a long time ago on inclusion in the monetary system, it is still not functioning, primarily because of fear in the FRY that inclusion of the Krajinas would disrupt the system's stability and jeopardize the program.

We have already stated that after lengthy and arduous talks and numerous political problems, however, a decision was made (apparently reluctantly) that the new dinar would also function on the territories of the RS and the RSK. The precondition for that was that they would deposit foreign exchange funds in the National Bank's foreign exchange treasury. Faced with the lack of any other alternative, the authorities in these two republics agreed, and withdrew the last of the foreign exchange from their otherwise already empty foreign exchange reserves and sent it across the Drina. In the case of the RS, that is estimated to be about 20 million marks. Those funds, which were difficult to find, are not even enough for a month for all the budget beneficiaries. The Krajinas were not in a position to provide more, however, because they simply do not have it.

Whether it is decent to demand foreign exchange from areas that are at war, even for an amount of dinars that will in any case remain in the Krajinas and thus not burden demand in Serbia, is a completely different question. One thing is certain: In a similar way the Krajinas "have already been" in Germany's monetary system, because they could have marks—by exchanging other foreign exchange or by exporting goods and services—just as is now the case with Yugoslavia and the dinar.

After the initial purchase, the economy and the budget should secure the necessary dinars from regular transactions. For an economy laboring under the war and enormous public spending, and which is operating at 15-20 percent of capacity at most, that position is both theoretically and practically untenable. Therefore, and especially because of the situation with state finances, Avramovic's program will have very negative consequences for the economy of both Krajinas. Naturally, the program is not responsible for this, but rather the situation in the economy is such that it is fascinating how people have succeeded in financing the war so far. The program will lead to a more rapid collapse of the inflationary illusion that the economy is functioning.

The concept for the RS's and RSK's inclusion in the monetary system provided for several control mechanisms by which the FRY tried to protect itself against a possible lack of financial discipline, which in a way could also be insulting to those in power in the countries west of the Drina. Thus, in practice, the national banks of these future "republics" of Yugoslavia are disappearing; the auditors of the federal payment transactions service are beginning to monitor the work of the local services; through the "unified record account" the influx and outflow of money from the Krajinas to Yugoslavia and vice versa will be monitored daily, weekly, and monthly. One can assume that the formula of a "unified record account" could also serve as a pretext for possibly blocking payment transactions in the event that the account is overdrawn.

Furthermore, it has been realized in the Krajinas that the whole concept of the program has to be transferred consistently, and thus laws and decrees are being almost literally copied. To the best of the professional public's knowledge, not one of the members of the team or the state officials who are working on its implementation in the FRY has been present in these areas, or has suggested any sort of solutions.

Even everything said so far would not be that much of a problem if the degree of economic unity were complete, and if the budgets of all the republics were prepared and supplied according to the same principles. In this way, the monetary system is unified; for the time being customs duties are still in operation; the fiscal system is different, with the income side, since the regulations have been adopted, dependent upon measures in the FRY and Serbia, while the expenditure side of the budget has been left to the local governments.

All of this indicates that the implementation of the current program will have very difficult consequences for the economy and state in the RS and the RSK. Instead of a magic wand, the waving of which would ensure a miraculous leap into a society of abundance (which retirees, the army, education, and health care, which have not received wages for a long time now, are expecting anyway, under the influence of the media), these areas will be affected by a further decline in production and even more by an empty state treasury, with all of its repercussions for a country at war, whose expenditures are quite certainly twice as high as the available social product. Any other situation would be equivalent to a miracle.

RSK Demands Tax-Free Port on Adriatic Coast

AU0604153094 Belgrade POLITIKA in Serbo-Croatian 5 Apr 94 p 10

[Branislav Radivojsa report on interview with Slobodan Jarcevic, foreign minister of the Serbian Krajina; place and date not given: "Krajina Will Demand a Free Port on the Coast"]

[Text] The signing of the cease-fire agreement between the republic of Serbian Krajina and the Republic of Croatia envisages the two armies each withdrawing 1 km to their respective sides. UNPROFOR [UN Protection Forces] will be deployed between them. The two armies will withdraw their heavy weapons 10 km (mortars) and 20 km (heavy artillery).

According to the Zagreb agreement, UNPROFOR will carry out checks to see whether the two side are observing the agreement. The blue helmets will, for the first time, carry out checks not only on the Krajina territory, but also on the Croatian territory, up to 20 km from the line of separation.

In his interview for POLITIKA, Slobodan Jarcevic, foreign minister of the republic of Serbian Krajina and a member of the Krajina negotiating team in Zagreb, also stressed this new fact.

We asked Minister Jarcevic what status Krajina's delegation had at the negotiations.

Two Equal Sides

[Jarcevic] We and the Croats acted as two equal sides. We agreed not to mention the terms Republic of Croatia and the republic of Serbian Krajina in the negotiations and documents. The documents refer to the two delegations only as "two sides," without using any other designates. For instance, the documents state that "the two sides agreed" that the "Serbian army withdraw," that the "Croatian army withdraw...."

During the preliminary talks with Mr. Churkin we agreed that we would not touch political issues. Our aim was to arrive at a cease-fire agreement and to end hostilities, and not to make an agreement on borders and demarcation lines that would deal with the status of the territories occupied by the Croatian side.

Both we and the Croats also supported the proposal that, immediately after the implementation of this agreement, we will begin negotiations about roads, the economy, oil pipelines, power lines, trade, and so forth. The condition for these talks will again be that we do not deal with political problems. Only once life, the economy, and everything else begins to function, could we discuss political issues.

[Radivojsa] What will the Serbian side demand in the negotiations regarding roads and economic cooperation?

[Jarcevic] Our aim is the scrapping of Security Council Resolution 820. Point 12 of this resolution forbids import-export activities by the republic of Serbian Krajina. Moreover, we are interested in the opening of the roads only if we are allowed to trade with the world. Otherwise, if we open roads, which is what Croatia wants, our trucks could be confiscated in Hungary. Therefore, we would not benefit from this kind of agreement.

400,000 Serbs Fled

[Jarcevic continues] The Security Council would therefore have to guarantee us freedom on the market. Only then will we sign the agreement.

[Radivojsa] Does this also refer to the opening of the Zagreb- Knin-Split rail line, and the opening of the Krajina section of the Belgrade-Zagreb highway?

[Jarcevic] Of course, but we are opposed to the consolidation of the roads, economy, and even tourism in Croatia while we are closed off and subjected to the sanctions. We demand freedom to export to Belgrade, to Slovenia, and to Hungary via the shortest route, through Western Slavonia.

We will also seek a tax-free port on the coast, because a large part of our trade gravitates around the ports on the Adriatic coast. We primarily have one of the Zadar ports in mind. This port would handle our exports and imports without inspection by the Croatian customs authorities.

[Radivojsa] What could Slobodan Jarcevic say at present about the third stage of negotiations, about possible political issues? He says that the talks in that stage will be the most difficult, because they will deal with the issue of refugees, the territories that Croatia occupied in its aggressions of 1992 and 1993. The Serb ethnic territories in Western Slavonia, where Serbs constituted a majority until 1991, will also be on the agenda. Then, we will also discuss war crimes and ethnic cleansing, which, as Jarcevic says, assumed much larger proportions in the Republic of Croatia. The Republic of Croatia has expelled some 400,000 Serbs from its territory.

What could we then expect from the negotiators in the third stage?

[Jarcevic] Regarding Krajina's future, I can say that the sanctions introduced against the Serbian people are a paradise in comparison with what they could experience in a Croatian or a Muslim state. The world should therefore not be surprised that we are putting up with the sanctions. This is why we should not be asked whether we will accept a federal or a confederal model, or an autonomous status in the Republic of Croatia. We do not want any of that.

[Radivojsa] This was a categorical answer by Slobodan Jarcevic.

Weapons Withdrawal Begins in Western Slavonia

LD0604165894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1417 GMT 6 Apr 94

[Excerpt] Knin, 6 Apr (TANJUG)—In western Slavonia, both sides [Krajina Serbs and Croats] today started to withdraw heavy weapons 10 or 20 km, Officer Branko Opacic from the Serb Krajina army's general staff told TANJUG.

The withdrawal—envisaged by the Zagreb cease-fire agreement—had been delayed because of a misunderstanding concerning the interpretation of a number of clauses of this agreement, but all problems were resolved on the spot by joint commissions. [passage omitted]

Martic Views Current Relations With Zagreb

AU0604113894 Belgrade NIN in Serbo-Croatian 1 Apr 94 p 12

[Interview with Milan Martic, president of the republic of Serbian Krajina, by B.A. and S.C. on 30 March; place not given]

[Text] *On Wednesday morning, when it was announced that the Croats and the Krajina Serbs had signed a cease-fire, Milan Martic, president of the republic of Serbian Krajina, responded to NIN's request and answered a few questions by fax.*

[NIN] Do you believe that the U.S. pressure, which resulted in the creation of a Muslim-Croat Federation, will have a crucial influence on the further progress of negotiations between Knin and Zagreb toward the establishment of (con)federal ties between the republic of Serbian Krajina and Croatia?

[Martic] The United States has shown great decisiveness in taking over the key role in solving the crisis in the area of the former Yugoslavia. We expect an even more intense manifestation of the political and diplomatic strength of the U.S. Administration in the coming period. This will have the goal of securing a sphere of interest in these Balkan regions. One cannot say that this will not affect the course of negotiations between Croatia and Krajina. This tone was already evident during the first two rounds of negotiations that were conducted in Zagreb, and in this sense, the United States will try to keep the initiative. Of course, we also have Russia's significant role, because it does not wish to be left aside, but it is clear that at the moment the United States has the leading role. I think it is still too early to discuss in what way the U.S. diplomatic initiative can influence the solving of the Krajina's political status. This latest peace package has three levels of negotiations. We have practically solved the first one by signing the agreement on the cessation of hostilities. This should be followed by negotiations on economic cooperation and communications, while the solving of the Krajina's political status has been left for the end. We are ready to participate in all of these negotiations, in the same way that we are ready to accept everything that is not in contradiction with the basic stances of our people and the negotiating platform adopted by the assembly. In other words, the limit below which we will not go, not under any kind of pressure, is the people's right to self-determination, its confirmation in a referendum, that is, which can even be organized by the international community.

[NIN] How do you explain the announcement that Croatia has received guarantees from the United States that it will manage to keep the Republic of Serbian Krajina within the borders of the former Socialist Republic of Croatia, and Charles Redman's statement that the United States would recognize Croatian in its AVNOJ [Antifascist Council of National Liberation of Yugoslavia] borders?

[Martic] The recognition of Croatia by the United States —of which you speak—is nothing new. Almost all European states have recognized Croatia and Bosnia-Herzegovina with their AVNOJ borders. Nevertheless, the Republic of Serbian Krajina has been functioning as an entirely independent and sovereign state for over three years. Or, to be more precise, there will be no lasting solution to the Croat-Krajina conflict until both sides devise a way of sitting down at the negotiating table, and, starting with the actual situation, try to find some kind of compromise solution. As far as we are concerned, we have no special demands on Croatia, and we are ready to cooperate with it in all spheres that do not threaten the vital interests of our people.

[NIN] Do you believe that it is possible to solve the Krajina problem quickly and as part of the same package as Bosnia-Herzegovina?

[Martic] At the moment, the most important thing is for the Croats to honor what they have signed in the Russian Embassy in Zagreb, and for peace to come to these areas. This will create conditions for negotiations of an economic and political nature. What the result of these negotiations will be does not depend only on us.

[NIN] Do you believe that the establishment of communication links between Croatia and the Federal Republic of Yugoslavia is possible before a lasting political solution on the status of the Republic of Serbian Krajina is achieved?

[Martic] I believe that the defined sequence of solving the Croat-Krajina conflict is conceptually wrong. The first phase must in any case be the end of the war and the establishment of lasting peace. Now that we have signed an agreement on the cessation of hostilities, and once we implement it, we need to immediately move on to solving the political relations between the Republic of Serbian Krajina and Croatia. Once this problem is solved, issues pertaining to economic cooperation and communications will not really present a problem. I have stressed on several occasions that there is no reason why the Republic of Serbian Krajina should not have cooperate well with all neighboring countries including Croatia, since this is in the interest of both sides. My only fear is that the sequence established now will result

in new blockades and the creation of new crisis points. Experience has taught us that Croatia has so far always used forceful, unilateral solutions to undermine everything that has been accomplished regarding the solving of certain humanitarian problems.

[NIN] How do you see the further progress of talks between Knin and Zagreb, and which points are currently the most controversial?

[Martic] So far, we have no reason to be dissatisfied with the results. If the Croats comply with what was signed in the Russian Embassy in Zagreb, conditions will be created for lasting peace and the continuation of negotiations. We expect that the peace forces will soon take their positions on the demarcation line established by the maps and thus take over their real role. In the continuation of negotiations involving economic issues, we have our conditions that primarily concern the suspension of Security Council Resolution 820, which places the Krajina in total economic isolation. Because, you understand, there is no sense in negotiating about economic cooperation in conditions where we are not allowed to import or export, which, in turn, calls into question the state's economic survival.

[NIN] How would you assess the current political situation in the republic of Serbian Krajina in view of the fact that the parliamentary majority has not accepted your proposal that Borislav Mikelic be the future prime minister?

[Martic] I believe that we are in for a period of more stable internal relations. The temperature was quite high at the beginning of the work of the parliament, as a result of the accumulated political tensions from the time before the elections and during the first and second electoral rounds. The climate is gradually changing and as you have had the chance to hear, a compromise on the future composition of the government has already been reached. The coalition of the Serbian Democratic Party of Krajina and the Serbian Radical Party has already accepted the proposal that the prime minister designate should be Borislav Mikelic. He is currently conducting all the necessary consultations concerning the composition of the future government with representatives of all political parties, and I am convinced that it will all end in the best possible way.

[NIN] In Belgrade, your statements are interpreted as a hint that the parliament will be dissolved. Is that at all possible?

[Martic] My address to the public had only one goal—to point out the possible consequences of a considerably destructive trend in the work of the parliament and to accentuate the necessity of accepting the concept of national unity. Because, after all, the republic of Serbian Krajina is at war, and we cannot duplicate on our political scene models that are valid in states that have had peace for a long time and where the parliamentary life is developed. My address to the people and the deputies did not have any other allusions.

[NIN] To what extent do internal disagreements weaken the position of the republic of Serbian Krajina?

[Martic] I have already said that these disagreements are of a temporary nature and therefore cannot significantly weaken the position of the republic of Serbian Krajina. There is complete political consensus on certain global issues that concern the future status of our state. This is evident in the good cooperation of the parliamentary committee for foreign affairs and the foreign ministry with the negotiating team that participated in the negotiations in Zagreb.

[NIN] Is there truth in the complaints that the important cadre positions have been taken by the supporters of members of the League of Communists—Movement for Yugoslavia, which to a certain extent circumvents the electoral results?

[Martic] I do not know where such stories originate or whom they concretely concern. It is known that so far only the assembly has been constituted, and that everything was done in accordance with the wishes of the coalition. The government still has not been formed, and electoral results will most certainly be taken into account when choosing cabinet ministers. Therefore, it is clear that these are just rumors.

[NIN] Do you believe that it will be possible in due course to reintegrate Yugoslavia in the form of a confederacy, a union, or a third entity?

[Martic] I do not believe that it will be possible to create a new Yugoslavia that would be comprised of former republics, again linked through political links. It is to be expected that after the war is over, economic, communication, and even cultural links will be reestablished in the area of the former Yugoslavia. The strength of these links will depend on the international community's disposition toward solving political relations, that is, its readiness to apply the same standards to all the participants in the crisis in former Yugoslavia. I wish to stress once more that we ask for nothing more than what the same international community has granted the other peoples in former Yugoslavia, and that is to enable us—in accordance with the strictest criteria—to exercise our right to self-determination.

Official Views Crisis in Parliament

AU0604195494 Zagreb VECERNJI LIST in Serbo-Croatian 30 Mar 94 p 5

[Interview with Chairman of the Commission for Constitution, Standing Orders, and Legislature Tereza Ganza-Aras by Zdenko Duka; place and date not given: "This Is Indeed a Parliamentary Crisis"]

[Text] *The attempt to replace Josip Manolic in the Chamber of Counties brought the Commission for Constitution, Standing Orders, and Legislature—whose*

chairman is Tereza Ganza-Aras—into focus. We therefore asked Tereza Ganza-Aras when she intended to convene the Commission.

[Ganza-Aras] I will convene the session as soon as I receive a request that will satisfy both the material and formal terms as foreseen by Article 50 of the Chamber of Counties Standing Orders. The request of a group of deputies, whose signatures were illegible, demanding that the session be convened urgently, should have specified why the request was made and exactly what they meant by "urgent," and it should have explained the reason for this urgency.

[Duka] No valid requests have been made recently?

[Ganza-Aras] No. The above-mentioned article of the Standing Orders that the group of deputies refers to, specifies that one must state the topic that is to be discussed at the session. I acted in accordance with the Standing Orders and thereby protected the dignity of the Commission and of the Chamber of Counties. The president of the HDZ [Croatian Democratic Community] Club used expressions like "we demand," as if this was a party directive that I had to obey without objection.

[Duka] Is it difficult to figure out who is behind this request?

[Ganza-Aras] Yes. Names and surnames should have been typed next to signatures in order for it to be seen whether they are members of the Commission. When I find out exactly what problem is to be evaluated by the Commission, then I will use the possibility provided by the Standing Orders and consult experts. There are lawyers in the Commission, but it would not be harmful to hear the opinion of professors of law. If I had satisfied the "demand" of the president of the HDZ Club, it would have been pure voluntarism.

30-Day Deadline

[Duka] You have mentioned a deadline of up to 30 days for convening the session. Is that according to the Standing Orders?

[Ganza-Aras] The Standing Orders say that the duty of the president of the Chamber of Counties is to submit agenda proposals within 30 days. The other rule says that presidents of working bodies have the rights and obligations toward their bodies that apply to the president of that chamber. Therefore, the longest deadline is 30 days. However, according to a Standing Orders article, there is a possibility of shortening deadlines, so, since this request is urgent, I will convene the Commission as soon as I get everything necessary for the regular course of the session.

However, the date for which I will convene the session will depend on when I get the material and when I get assessments. Notice of a session is sent to members eight days before the session takes place.

[Duka] Still, even without professional opinion, do you think different interpretations of the Standing Orders are possible? Was it legally possible to replace Manolic last Friday?

[Ganza-Aras] I think his interpretation was valid. All lawyers I met in those long recesses in the corridors of the parliament house share my opinion. There was a state of general consternation due to attempts to impose a party model on the work of the parliament.

[Duka] Professor Smiljko Sokol says this is not a parliamentary crisis. What is you opinion?

[Ganza-Aras] I think he is wrong. I do not know what else could be called a parliamentary crisis if not replacing the president of a chamber of the parliament?! Secondly, the Chamber of Representatives and the Chamber of Counties are obviously dependent on each other, and the Chamber of Representatives will not be able to begin a new session until this interrupted session of the Chamber of Counties is brought to a close. For a certain group of bills it is obligatory to first get the so-called previous opinion of the Chamber of Counties, and there are such bills at every session.

And in order to alleviate the crisis, I will try to convene my commission as soon as possible, but even that opinion is not reliable. Again, the Chamber of Counties will alone decide whether it will accept that opinion or not.

What Kind of Ballot?

[Duka] At the session of the Commission, there will probably be outvoting. What is the party structure of deputies?

[Ganza-Aras] All commissions are composed so that HDZ members have an absolute majority. Commissions have 17 members each, four of which are liberals, one member of the Social Democratic Party, one member of the Istrian Democratic Congress—Sosic is formally a member of the Croatian Party, but he is a member of the HDZ Club—and one member of the Croatian Peasants Party. There are eight HDZ members—nine with Sosic. I suppose they will all come to the Commission session so that there will be outvoting, as usual.

[Duka] If Manolic is replaced, they will vote for a new president. In case there are several candidates, there will be a secret ballot.

[Ganza-Aras] Yes, but only as a rule. For, if seven deputies demand an open ballot, then an open ballot will decide whether there will be an open or a secret ballot. The Standing Orders are composed so as to disable the opposition as much as possible. The president of the Chamber has absolute power and, now, in the case of Manolic, it recoils on the HDZ. People say that a stick has two ends. Therefore, it is best not to have it.

[Duka] In early Fall, one began working on new standing orders for both chambers. This work was particularly aided by Mesic and Manolic. However, in the end, it was all stopped.

[Ganza-Aras] We completed the Standing Orders in November last year. During a year and a half of work of the Chamber of Representatives and a year of work of the Chamber of Counties, many Standing Orders solutions appeared vague, so new Standing Orders regulated many matters more precisely. However, when they were already copied and ready to be sent to deputies for approval, everything was stopped.

Who Stopped Standing Orders?

[Duka] Who stopped them and why?

[Ganza-Aras] I can only guess. Prominent HDZ spokespersons raised the issue. Among other things, the secret ballot was emphasized as a problem. Those standing orders explicitly demanded a secret ballot when making decisions about people. They tried to introduce more order in deadlines for composing the agenda. However, it seems that the ruling party wants to have incomplete standing orders so as it can interpret them as it likes.

[Duka] Now we see that Professor Sokol is not satisfied with these standing orders. Therefore, he too might be replaced after this case.

[Ganza-Aras] Yes, he is not only dissatisfied with the Standing Orders but also with the constitutional definition of the Chamber of Counties, and we know that he and Mr. Seks were those who wrote this Constitution.

Sokol, for instance, says that the president of the parliamentary chamber must enjoy the trust of most deputies in the chamber or must step down. No one disputes that. But, the session of the Chamber of Counties began on Wednesday, continued on Thursday, and there were demands for Manolic's replacement on Friday, and in two days of the session, the president of the chamber [Manolic] did not come into conflict with any deputy. It seems that 36 deputies remembered overnight, after full two days of session, that they no longer trust their chamber president.

The opposition wanted to continue and conclude this session. HDZ deputies finally suggested interrupting the session. The demand for replacement could have been put on the agenda of the next session of the chamber. Furthermore, Sokol concluded that the constitutional position of the Chamber of Counties must be changed. All parliamentary opposition parties think that the Constitution must be amended exactly with regard to the position of the parliament.

Demographic Effects of Croatian-Muslim Union

94BA0216B Zagreb DANAS in Serbo-Croatian 8 Mar 94 pp 6-7

[Unattributed interview with Jakov Gelo, director of the State Bureau for Statistics; place and date not given: "I Am Afraid of Emigration of the Croats"]

[Text] [DANAS] What are the possible demographic consequences of the Croatian-Muslim federation and confederation?

[Gelo] I consider the internal arrangement of federal Bosnia and Herzegovina very important in this regard. Unless the boundaries between the two nationalities are relatively well-drawn, that is, unless the space belonging to the respective nationality is set off so that the Croats have their sovereignty in a specified part, we can expect emigration of Croats from Bosnia and Herzegovina. The central government in Sarajevo need not be supreme to cause that: economic reasons will be paramount in motivating Croats to leave Bosnia and Herzegovina, as they have up to now. Unless Croatia is able to conduct a differentiated economic and demographic policy toward the part of Bosnia and Herzegovina where the Croats live, that is, unless there are special economic relations between the Croatian cantons and the Croatian state, over the next 10 years, while a true market is coming to life, we could lose all the Croats in Bosnia. That is why as a demographer and statistician I consider it very important to have precise territorial and political definition of the area and rights of the Croats in Bosnia and Herzegovina where as a sovereign nation they will decide the essential matters concerning their future.

[DANAS] How do you make the case for that fear?

[Gelo] The area where the Muslims live is the most heavily populated, but not the most highly developed. Two-thirds of the population of Bosnia and Herzegovina live in that area. Demographic trends show that the Muslims will continue to increase numerically. Unless there are precisely defined limitations on moving from one place to another, the Muslims will spread not only to the territory of the federation, but even to the territory of the confederation, that is, Croatia. They will have a hard time integrating with the Croats, because in religion, customs, and culture they belong to a different cultural context. Experiences in the past show that with respect to those criteria the Croats and Serbs are closer than the Croats and the Muslims. And when it comes to moving from one place to another, certain restrictions have to be set up between the cantons in the federation, not only concerning the Muslims, but this should also be done concerning the Croats from Bosnia and Herzegovina. They are the smallest nationality in Bosnia and Herzegovina, they live in the least developed area, they have a less promising demographic trend than the Muslims, and they naturally tend to move to the parent state. That is why from the economic standpoint Croatia must fight for its right to bypass the central Bosnian government in

its relations with the particular cantons. Unless it succeeds in doing that, this federal-confederal framework will result in disappearance of the Croats from Bosnia and Herzegovina and a threat to the present composition of the population in Croatia.

[DANAS] What would be the ethnic composition of that confederation?

[Gelo] The confederation would have a population of 7.5 million: 4.5 million Croats, 1.9 million Muslims, 500,000 Serbs, and the remainder are other nationalities (see the table [not translated]). So, the Croats would represent about 60 percent in that community of states. Demographic developments, which cannot change in a few years, but only over decades, indicate that the non-Croats will have a stronger population growth, which in time could have the result that there are more non-Croats than Croats, which means a threat to the stability and survival of the Croatian state. Regardless of the war, Croatia has a decline in population, for two years now there have been more deaths than births. And the demographic process, as I said, cannot be changed that fast.

[DANAS] But what if the Bosnian Serbs join the federation and then the confederation?

[Gelo] Add to that number of 7.5 million the 1.3 million Bosnian Serbs, and if we take into account demographic processes which are unfavorable for the Croats, the Croats would very soon be a minority in that structure.

[DANAS] What needs to be done to change the process?

[Gelo] A population policy, which has been lacking up to now, has to be established in order to correct those negative demographic trends. And then a migration policy to distribute the population on economic and strategic grounds. The Adriatic islands, parts of Slavonia, and the Lika Plateau have a trend of population loss. We also need to include the return of Croats, for example, from Kosovo, from Vojvodina, Kotor Bay, Romania, Hungary....

[DANAS] How do you evaluate the Washington agreement as a whole?

[Gelo] If it is implemented and if the sovereign Croatian cantons in Bosnia and Herzegovina are not delineated, and if the right of the Muslims to move into those cantons or to Croatia is not limited, and then if Croats are not prevented from moving out of Bosnia and Herzegovina, the Washington agreement is a bad decision from the demographic standpoint. It most likely will cause a new wave of emigration of Croats not only Bosnia and Herzegovina, but also from Croatia, because renewal not only of its country, but also of the much more devastated Bosnia, will be placed on Croatia's shoulders. Unfortunately, those are the indications of the science of demography.

Rift in HSS Discussed

94BA0216C Zagreb DANAS in Serbo-Croatian 8 Mar 94 pp 20-21

[Article by Ratko Peter: "Belief in God and Peasant Discord"]

[Text]

Party Splits

What is happening on the Croatian political scene? Have the convulsions and tensions in political parties even reached the Croatian Peasant Party [HSS], the party that was the most pleasant surprise in the last zupanija elections, just a little more than a year ago? Was it precisely then, as some say, that the peasant cart began to go downhill, has peasant concord become more and more peasant discord, and has belief in God remained the only unquestioned maxim of the party? Is the history of the Croatian Peasant Party actually the paradigm of historical Croatian discord, which so many times has taken bloody tributes from us, of which we are perhaps witnesses even today?

Yet another intraparty conflict or showdown is taking place in the (overcrowded) Croatian political space, this time between the top members of the Peasant Party. Although the party has been saying (in writing and verbally) that it is a question of party squabbles and differing views, there are quite a few people who say that this is a naked struggle for power and even a split in the party. Following the sharp division in the incumbent party, where thanks to Tudjman's strong position and intervention they managed to find a "middle" line as a compromise of the division into "right" and "left," following the open conflicts in the strongest opposition party, when Budisa nevertheless "survived" in the position of the party's top man, and after the fierce conflicts in the strongest regional party, which, it seems, was also the most radical in settling "its affairs," it is now the turn of the "Croatian peasants" who, judging by all appearances, have applied the "Istrian models" in solving their problems. In short, Dr. Josip Stojanovic, chairman of the Executive Committee, and Mirko Mador, member of the party's presidium and a deputy in the House of Representatives of the Croatian parliament, have been suspended.

The Kasina Meeting

Although both Josip Stojanovic and Mirko Mador say that there is no split in the party and that they do not want to bring down Stipac (although Stipac brought them down, at least for the present), one gets the impression that the "peasants" have nevertheless been playing games and looking for justice. In the village Kasina (not far from Zagreb), there was a meeting of the party's Initiative Committee in order to offer, it was stated, support to the Executive Committee in its effort to achieve the most successful activity and organization of the party, especially of its central headquarters. The

"Kasina group" of some 100 HSS members (some say even less, although that is no longer the point) met in the afternoon hours of Saturday, 26 February, the same day when the party's presidium held a meeting in the morning at which the decision was made to "dispatch" Mador and Stojanovic, although the "Kasina meeting" still had not begun. What is more, according to Mador, that decision was made even a day earlier, on Friday. In its meeting, the party's presidium adopted a unanimous decision to suspend the two members on grounds that "contrary to the provisions of the bylaws and without knowledge of the presidium, they organized and held a party meeting that same day in Kasina." Mador, on the other hand, says that from the legal standpoint it is completely legal to hold such a meeting ("After looking at the party bylaws, I saw that I was not violating any party regulation by holding a party meeting"), and it is also indicative that the party's presidium should judge a priori something which actually had not even begun. It is obvious that party confrontations had been prepared in advance in the apparently tranquil Peasant Party.

"Since back in February we have been issuing warnings about the party's problems, especially the ineffectiveness of its central headquarters," says one of the "expellees," Dr. Josip Stojanovic. "That meeting in Kasina should have been closed to the public, at least until all the materials were turned over to Drago Stipac, the party's president, but that did not occur because Stipac did what he did. All the criteria and keys to election in the party are in the hands of the presidium, and those people render judgment, which is evident once again in this case."

Gunfire From Wooden Rifles

It is quite obvious that in spite of the desire to have it all take place "out of the public eye," the party's dirty linen has nevertheless come out in public, and the first step was actually taken by Mador in his open letter to Drago Stipac. "Yes, I wrote that letter during the meeting in Kasina, because we already knew about the suspension decision of the party presidium. That is in fact why I wrote very emotionally."

Still, there is much that is unclear and foggy in the entire story. For example, why did Stipac expel only Stojanovic and Mador, although the Kasina meeting was attended by some 100 people, what are really the reasons of the conflict, did it all come down to personal animosities, to a naked party struggle for power, has the party at this point been equal to the new political realities and the increasing number of its members (according to certain indications, the HSS is the country's second largest party in terms of membership), is this a case of unclear ideological definition and unrecognizability, can it all be blamed on the "notorious moles" who obviously have not bypassed even the 90-year-old Peasant Party? "I still stand by what I wrote in the open letter," says Mirko Mador, "and that is that the HSS must be a general Croatian party, a party of the center, social and democratic. It must be a modern party, the wooden guns and hoes with which Macek created the Croatian banovina will no longer do, the Croatian peasant must be a policymaker, not the object of policy. The main trouble in the party is its ideological unrecognizability, in that the problem of Bosnia and Herzegovina was put ahead of Croatia in general, and it is also the party organization itself, its general ineffectiveness, especially that of the central headquarters. The party's growth trend, which has been marked, is not in line with the work of the central headquarters, and there are many things that are unclear concerning personnel and finances. The main party problem nevertheless came from outside, with the help of certain people within the HSS, and it is thanks to those people that the party was some kind of political appendage or hanger-on. Within our party, there were and are special-interest groups of the incumbent party and the strongest opposition party, various emissaries make their rounds, and the party has become a highly eligible maiden. All of that is politically unclear and morally disgusting. That is why I made my deputy's seat available, because my main interest is for the party to get on its own right road. So, along with the special-interest groups from outside, the main problems of the party are contained in the very conception of the party's organization and in its ideological unrecognizability."

Suspend Me as Well

The conclusion is drawn from all we have said that strange things have been happening for a long time now within the HSS, something that was mainly unknown to the public before Mador's letter, although the question might be put why Mador has hung out the party's dirty laundry at this particular point, is this nevertheless a struggle for power and the kind of lobbying in advance of certain important party meetings (perhaps even a party convention?), is Mador actually an HDZ [Croatian Democratic Union] mole (that has also been said), or is it after all a struggle for some different HSS, as Mador says, "more acceptable from the generational standpoint, younger, better-trained, and more professional"? It nevertheless remains unclear why in his recent press conference Mador did not want to expose the alleged HDZ and Liberal "mole" even when the journalists insisted several times.

Nevertheless, one learns behind the scenes that the names of Josko Kovac and Tihomil Radja are being spoken of as the men from the incumbent party and Budisa's party, respectively. Kovac himself says that in Dalmatia and Split the HSS is supporting President Stipac, and that the voices of the two men expelled and the group around them are a minority compared to the 40,000 members of the HSS who stand behind Stipac, and that "Stipac is too democratic, because if he were not, Mador and Stojanovic would already have been not suspended, but read out of the party." Radja, on the other hand, says that all of this is yet another attempt of the incumbent party to undermine the work of the HSS by provoking a conflict within it, indeed even with the help of a high government official ("let him recognize himself"). According to Radja, it is a question of HDZ

"special operatives," i.e., of "members of the HDZ youth groups," while Mador's blow was "below the belt." "I openly support Stipac, who still has never made a single political gaffe, although that does not mean that some of his actions should not be criticized."

The split in the party is obvious, there is evidence of that in the open letter of Josip Fajdic, the man who chaired the meeting in Kasina. According to Fajdic, the party central headquarters is itself the bone of contention, it is a question of "fossilized structures" which fall utterly short of the current political situation and general situation, as well as the needs of the party for more up-to-date political activity. So, in spite of the party's ideological unrecognizability ("let us move on, Mr. President, from Busovaca"), Fajdic concludes his letter with the request "that you suspend me along with the rest from the party, because I truly belong to that part of the HSS."

An Impermissible Gaffe

Is the HSS really facing perhaps its crucial and fateful moments, is Josko Kovac really right when he says that it is a question of "marginalized structures," or have Mador and Stojanovic only started an avalanche of malcontents who, as we see, have now been joined by Fajdic, but also by Nikica Novakovic, the first president of the revived HSS, also "dissatisfied with the way the party has been led by Drago Stipac, and with methods that have nothing in common with the doctrine of the Radic brothers"? We should also mention that the Medjimurje chapter of the party also favors reorganization of the HSS. On the other hand, however, Drago Stipac does not want to debate through the media the "accidental fellow travelers" in the party, he obviously wants to work this out behind the doors of the party, although the door is already cracked open. The man who is said to lead the party in an authoritarian way, who is said to be too old to lead the party, and who is said to be responsible for the party's ideological wandering, in which the valley of the Lasva has frequently been more essential than crucial problems in Croatia, and who is said to have committed certain impermissible political gaffes (in SRPSKI GLASNIK, Stipac talks about a federal Croatia and about the Serbs as a constituent nationality), will nevertheless have to respond very quickly to the charges which are becoming more and more frequent.

Is the party too much submerged in populist and folklore rhetoric, has it become a kind of "peasant trade union," are its president and the seven vice presidents really "used up," people whose traditional HSS values simply have no place in a time that is half a century after Macek and the Radic brothers. There are many questions, but one thing is still quite certain: The party split in the HSS is obvious, the divisions run deeper than it seems at first, the only question is how, whether through a party convention, with full-scale preparations, or on the other hand "behind the scenes," the HSS will get its new victorious image.

Implications of Election Law Examined

94BA0217A Zagreb DANAS in Serbo-Croatian 8 Mar 94 pp 16-17

[Article by Gordan Nuhanovic: "The Will of the Voters Has Been Deceived"]

[Text] Whether the voters will recognize in the most recent amendments and supplements to the Law on Election of Deputies to the Assembly of the Republic of Croatia a fundamental betrayal of their will in the recent elections in August 1992 has at least become a question because the most recent legislative amendment destroyed the so-called principle of the first unelected deputy on the state election slate. Some legal experts see in that enactment, which no longer exists, a legal loophole that cannot be filled by any authentic legal interpretations, but the present article, which was supposed to resolve the perplexity, seems to have managed in a very subtle way to ignore the will of the voters when it comes to deputies listed on the government slates.

Because rotation into various positions in the government is altogether normal among parliamentary deputies of the incumbent party, their alternates are coming to take their places in the parliament. While the law is altogether clear about deputies who come to the parliament elected as candidates in their own electoral units, because every candidate had as his alternate a specific individual, deputies elected on the government slates were deprived of that unambiguous provision in the law. The election law tried to solve the problem of the "alternates" of deputies elected on government slates "by personal replacement of deputies from the government slate." When Mladen Vedris gave up his deputy's seat, his place was taken by Simun Saulic, who ran as the 36th candidate on the government slate of the Croatian Democratic Union [HDZ]. When he gave up his seat to take a post which was incompatible with being a deputy, he was replaced by Borislav Beslic, the 37th deputy on the government list of the HDZ. Thus, for all practical purposes Beslic replaced two deputies, but only one deputy seat was made vacant when the duties of deputy ceased to be performed. In exactly the same way, Dr. Boris Segota, 40th candidate on the government list of the HDZ, is the alternate of Dr. Jurje Njavra, who in this legal arrangement should have been replaced by Vesna Girardi- Jurkic, M.A., who is now a minister and who because of her post in the government also had to take a leave of absence from her office of deputy. Boris Segota, whom we mentioned, just like Beslic, freed only one deputy's seat when he left the office of deputy, in spite of the fact that he was the replacement of two deputies. This example taken at random of deputies elected on the government slate best illustrates the shortcoming of the so-called pairing of deputies and their alternates, because it is quite certain that should the reasons disappear for the deputy's leave of absence, some of the persons mentioned above might simply be put in a position of not being able to call upon the law. The practice of "pairing" also ceases to have meaning in case of an

election success, that is, as was the case of the incumbent party, whose government slate obtained 31 seats in the August election. Each government slate has 60 candidates for deputy, so that every candidate of the HDZ who was elected did not have his personal alternate, because the HDZ slate would have had to have 62 candidates for deputy so that each would have his alternate.

Nevertheless, in the amendments and supplements we have mentioned to the Law on Election of Deputies to the Assembly, the Committee for Legislation, a well-known working body of the Assembly, instead of overcoming this legal loophole, has actually "taken a step backward." In the final version, the paragraph of Article 1 of the amendments and supplements to the Law on Election of Deputies to the Assembly reads: "A deputy elected on the state slate who accepts a post incompatible with the office of deputy shall be replaced by that unelected candidate on the government slate on which the deputy was elected, to be determined by the political party whose government slate is in question." This seemingly harmless legal wording, say some of the legal experts, essentially disavows in its last clause ("...to be determined by the political party whose government slate is in question") the election slate and instead of the "personal replacement" inaugurates a so-called intra-party consensus as to appointment of the replacement of deputies whose seats have been vacated. Thus, on the basis of this legal wording, which has been adopted, the possibility is opened de jure, for example, for the incumbent party, to which that amendment of the law pertains the most, to promote as replacement for a deputy who has taken a government post a candidate who on the government slate of the HDZ was, say, 58th, while at the same time a large number of candidates ahead of him on the state slate would simply be ignored. In the opinion of those who have a superb knowledge of election law, that amendment, obviously imposed on the Assembly, infringes the political will of the electorate. In voting for candidates on the government slates, the voters were guided by the order presented from one to 60, and in presenting the candidates, the party took care to put at the top those individuals it felt should be those who would carry the slate. Thus, the sacred will of the voters has in a sense been neglected. It is difficult to escape the impression that the most recent amendment to the law on election of deputies to the House of Representatives is actually being used to pay off old intraparty scores in the incumbent party, whereby a small group of people is legally keeping away from the benches of parliament "undesired" alternates, that is, candidates who ran on government slates. The very bitter debate that developed over adoption of this amendment to the law distinctly indicates how essential this relatively unassuming paragraph of the law is to its initiators and proponents, a paragraph which along with everything else opens up the possibility of manipulating some of the deputies and their alternates on the government slate. Leaving it to the party to decide who will be a member of parliament makes things cloudy in political life and, just like the institution of abeyance of the deputy seat, sets a certain precedent concerning the parliamentary benches in the House of Representatives.

Disputes Among War Volunteers Viewed

94BA0217B Zagreb DANAS in Serbo-Croatian 8 Mar 94 pp 17-19

[Article by Edvard Popovic: "Mercep's Knin Brigade"]

[Text] In its second convention, held in Zagreb on 26 February of this year, the Association of Croatian Volunteers of the Homeland War (UHDDR) ceased to exist in the form it has had since its founding on 19 February 1993. It was conceived as an association outside and above political parties, and, as its founder and first president Zvonimir Trusic spelled it out in his introductory address, "as a nongovernmental organization that would bring together those who went to war and took their status into their own hands without waiting for a call from the government. Rejecting the role of the government "from the other side of the mirror" and the role of the extended hand of any party or group within any party ("the volunteers did not intend and will not establish any parallel government...for us the CROATIAN STATE is sacred...we have not and will not take into our hands anything for which there exists authorized government bodies and agencies...we do not allow and will not allow ourselves to be taken over by anyone, to be included in any of the current political conflicts"). In his introductory address to the Association Trusic defined it as a kind of (moral) proofreader: "Because of the many bad things happening around us now, the Croatian Volunteers are resolutely joining the fight against war profiteering, we condemn criminal acts of robbery of government property, we demand confiscation of property gained through war profiteering and theft."

Threats and Outbursts

In order to achieve the stated goals and to define other goals that will cover the broadest interests of the membership, the Association had to be reorganized and bylaws adopted and a new president and members of working bodies elected, which was the job to be done in the second convention. The initial constructive and ceremonial enthusiasm of the convention, however, turned into a verbal gunfight that caused a majority of the delegates to leave the Vatroslav Lisinski Auditorium even before the vote. An unpleasant impression was left both by the uncontrolled outbursts from the speaker's stand and in the corridors (there were threats against those gathering signatures, Trusic said), and also by the "tussling for the microphone and denial of the right to speak to certain distinguished members and guests (that right was denied Mile "Hawk" Dedakovic, Branko "Younghawke" Borkovic, Brother Vjekoslav Lasic, and a hundred others who had something to say). A new president was elected (Tomislav Mercep), vice-presidents (Juraj Njavro, Dario Kordic, Stjepan Spajic,

and Pajo Simic), and members of the central committee (Branko Miloloza, Marijan Sola, Djuro Brodarac, Dusko Cikan and Kresimir Cop). The by-laws were not adopted, concern for the general interests of the volunteers remained in the background on this occasion, and, judging by the departure of a goodly portion of the those present before the convention was over, the first big convention of the UHDDR might well have been the last.

"Occupation" of the Association

One gets the impression, and this was pointed out by Zvonimir Trusic, that it broke down over the attempt of one current within the HDZ [Croatian Democratic Union] to turn the Association into an instrument and use it as a powerful lever for promotion of its own political objectives. The whistling, the hooting, the dissatisfaction and departure from the hall during the speech of Vuco Vukojevic and certain others showed that some of the volunteers refuse to allow the interests of the Association to be subordinated to the interests of this or that political grouping. Although it was said in the HDZ corridors at the convention that that group of malcontents were actually politically aligned with the HOS [Croatian Defense Force] and the Rightists, when mutual accusations like this are made, the truth is always somewhere in the middle. But things are not so unambiguous, and this stormy convention shows that the conflict within the HDZ, postponed at the last convention of the HDZ, broke out in the convention of the UHDDR, that is, that the faction which withdrew for tactical reasons in the HDZ convention (as it itself put it at the time) attempted to 'occupy' the Association of Volunteers as a springboard for future political showdowns. SLAVONSKI OBZOR of Vinkovci confirms that these are not mere empty speculations by recalling withdrawal of the nomination of Branimir Glavas, Vladimir Seks and Tomislav Mercep at the HDZ convention referred to. Recalling as well the words of Tomislav Mercep, who explained his own withdrawal and the withdrawal of most of the right wing of the party in terms of a "desire to once again take a step out of good will, but it will not last beyond 1 April 1994." that was the deadline given the president of the state and HDZ, it is said, to "do what he has promised the party and the people."

Respected and Armed

Has that current, then, chosen this association of Croatian volunteers for its (possible) backup base? If so, why? there are several reasons for this choice. The attitude of most of the Croatian public toward the UHDDR is full of respect, emotional, often altogether uncritical, which is precisely why the Association was a prefect shield for promoting political interests of any option or party provided they could swallow it up. The job of the current of the HDZ, it is assumed, would be easier because Mercep, one of its fair-haired boys, enjoys a passable reputation and has the support of a large number of members of the UHDDR. What is more, the UHDDR, which has about 6000 registered members, in spite of certain organizational deficiencies, is a compact entity bound by solid ties of solidarity in wartime and alleged political extremism. And something else, a sizeable portion of the members of the UHDDR who remained outside the Croatian armed units, whether the army of the police, are armed and represent an experienced military force that must command respect.

Something of the kind was first stated in public by Tomislav Mercep when he was a guest on the program of Croatian Radio-TV "Latin Writing." He mentioned the Knin Brigade, which numbers 6,500 armed fighting men, but he did not go into the details. Toward the end of last year, we were told by Gen Martin Spegelj, at the convention of Croatian Veterans of the Homeland War (HVDR) in Kutina a representative of the Kutina chapter of the UHDDR welcomed establishment of the sister organization, but declined the possibility of collective membership of the UHDDR in the HVDR, justifying this in terms of the fact that a brigade was just then being formed to be commanded by Mercep, and all of this supposedly with the consent and knowledge of a high official of the defense ministry, who will arm the brigade and fully equip it.

Reason Prevailed

Be that as it may, the emotional outbursts (Mercep, Sosic), politicized to the extreme on certain occasions (Vukojevic), were more suitable to political gatherings in which the electorate is mobilized than to meetings whose job is to resolve very serious problems like the problems of the Croatian Volunteers. There is evidence that reason nevertheless prevailed in the end in the speeches of volunteers who declined the possibility of politicizing the association (a good example of this is the speech by a volunteer from Ogulin) and pointed to current problems, beginning with the "endemic" problems of the volunteers all the way to the general problems like war profiteering or the attempt to establish a parallel army and government.

The convention of volunteers fell apart at the end. The calculation that the volunteers would serve as a stick that could be used in the postponed showdown within the HDZ proved rather hollow. The volunteers let those who counted on their "political emotions" and their "extremism" know quite clearly that their emotions are reserved for the Croatian state and Croatian interests, and their "extremism" is directed exclusively against the occupier and cannot be used for internal showdowns between Croats.

In an interview with SLOBODNA DALMACIJA Tomislav Mercep, the new president of the UHDDR, took a sporting view of the thing: he said that the convention was right and proper and it is the right those who lost to be angry. Zvonimir Trusic, former president, thinks quite differently and is announcing establishment of a new association. The best comment on the meeting came from those who left the hall before the end of an

event which was supposed to be their convention, but turned into a political game and verbal exhibition by those who are too often inclined to privatize the interests of Croatia as a whole.

Camp for Non-Croats Near Zagreb

94BA0223A Belgrade POLITIKA in Serbo-Croatian 9 Mar 94 p 7

[Article by R. Arsenic: "Revelation From Letter to Split's FERAL TRIBUN: Genuine Camp for Non-Croats Near Zagreb"]

[Text] *The "foreigner reception center" in Dugo Selo is actually a classic camp where non-Croat citizens are taken to await deportation under inhumane conditions, without any court decision, in makeshift shacks, despite the fact that they have had a regular residence and houses in Croatia for as long as several decades.*

Zagreb, 8 Mar—A letter that arrived recently at the editorial office of FERAL TRIBUN in Split, one of the rare independent newspapers in present-day Croatia, has raised quite a stir among the local public, because it provided first-hand confirmation that there exists a genuine concentration camp in this republic.

The facility in question is the foreigner reception center in Dugo Selo, near Zagreb, which is on the level of the very worst camps in terms of its organization and treatment of detainees.

Letter From Camp Inmate

Those citizens of the Republic of Croatia [RH] who were not issued certificates of citizenship and whose residence permits were not extended are taken to this camp in handcuffs. They include many people who have spent several decades in Croatia and have property and permanent addresses there. Naturally, they are all "non-Croats," because as we know—under the current law—all Croats are regarded as citizens of the Republic of Croatia, regardless of where they are and where they were born.

The letter from an inmate at the aforementioned "center" states the following, among other things: "We are at the foreigner reception center in Dugo Selo (across the road from the 'Gorica' tableware factory, middle shack). These dwellings are that in name only, and I can tell you completely reliably that this is a classic camp, that we did not even know that such things existed in this state, and that we are shocked at the very knowledge of their existence."

The letter goes on to say that the number of prisoners varies from 15 to 25 people, mostly citizens of the RH, many of whom have lived in Croatia for 10, 20, or even 30 years, and deportations are carried out over a period of 10 to 20 days: Muslims rounded up in Zagreb are taken to Tomislavgrad for exchange, Albanians from Kosovo and Macedonia are taken to Rijeka to be placed on a ship for Durres, and so forth.

Many people spend up to several months under literally inhumane conditions (there are no bed linens, the blankets are never changed, the prisoners are not given soap or towels, and they do not change their clothes the whole time they are at the "center"), and there are some who are there—without changing their bed sheets and clothes—for six to seven months. Hygiene is nonexistent, nor is there any health care provided, so that scabies, lice, and so on are ordinary occurrences. In a 24-hour day, only one hour is spent outside—under guard—and all the rest of the time is spent in a closed shack encircled by wire, with makeshift windows.

The Croatian Helsinki Committee [HHO] (chaired by Ivan Zvonimir Cicak) sent its team to take a look at what is going on there, and they confirmed everything that the letter said. Moreover, besides the "classic" camp lodgings, the prisoners have undergone corresponding treatment, and have often been mistreated; the atmosphere in which this has taken place is illustrated by their testimony to the Helsinki Commission, when they said that one night two members of the HV [Croatian Armed Forces] were turned loose among them, who asked the familiar question before they had even made it in the door: "Who here is a Serb?"

It is interesting that none of the government officials approached by the HHO knew about the existence of this camp in Dugo Selo. The chairman of the Assembly Human Rights Committee, Ljubomir Antic, the chief of staff of the minister of labor and social welfare, Ivan Ujakovic, and the minister of health, Dr. Andrija Hebrang, were amazed that such a thing exists.

Under the current Law on Movement and Residence by Foreigners (Article 68), shelters for foreigners are set up and looked after by the Ministries of Health and Labor, but no one at the ministries in question had any knowledge of this "center." It is maintained by the Ministry of Internal Affairs.

Even Father of First Croatian Pilot Is in Camp

The type of people encountered by the HHO delegation headed by I.Z. Cicak in the fenced-off shack is indicated by several examples: Zoran Petrovic was born in Kraljevo, but has lived in Zagreb for a number of years, with a regular residence and apartment. He was among the first athletes to appear under the Croatian flag at a competition in Germany, but that did not help him to obtain a certificate of citizenship or an extension of his residence permit. He has not been punished, but he has been at the "center" for 103 days now. He was transported by plane to Skopje in handcuffs, but the Macedonian authorities refused to accept him. A member of the Croatian Armed Forces has already moved into his apartment at Lj. Posavski Street 19, and Zoran—who is neither guilty nor to blame for everything that he is undergoing here—began a hunger strike on 31 December. No one was interested.

Edib Sejfovic, born in Novi Pazar, was a major in the JNA [Yugoslav People's Army], but was "dismissed" at his own request. He has lived in Croatia since 1967, he lived in Vinkovci for 26 years, and his wife is a Croat and the mother of "the first Croatian pilot of Bukusic, who died in Vukovar." He has been imprisoned in the camp for four months now.

Also here is Ramzi Mahmud from Iraq, who has lived in Karlovac for the past 15 years. Since the beginning of the war, he has spent 15 months in the Croatian Armed Forces.

All of these people are being held at this camp—as the HHO delegation confirmed—without any decision by a competent court.

Gligorov: No Negotiations Until Embargo Lifted

BR0604144594 Paris LE MONDE in French 6 Apr 94 p 3

[Report by Yves Heller on interview with FYROM President Kiro Gligorov on 4 April in Skopje: "'Everything Is Negotiable Provided Greece Lifts the Blockade,' President Kiro Gligorov Told Us"]

[Text] Skopje—The Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is prepared to negotiate "immediately" on the dispute with Greece, including on its name and on its flag, which are both disputed by Greece, only if Andreas Papandreou's government lifts the embargo it imposed on its northern neighbor more than six weeks ago. This is the position which Macedonian President Kiro Gligorov expressed in an interview to LE MONDE on Monday 4 April in which he reported Greek "troop movements" on the common border.

"The negotiations (with Greece) can resume immediately, but the embargo must first be lifted because it is very difficult to have discussions in such imbalanced circumstances," Mr. Gligorov stressed, emphasizing the fact that "no country would negotiate under such constraints." And the Macedonian president confirmed that his country is "prepared to negotiate on all issues" remaining between Skopje and Athens. These are, first, the very name of The Former Yugoslav Republic of Macedonia (FYROM), a temporary name accepted by the United Nations exactly one year ago because Greece refuses to allow this country, which has a little more than 2 million inhabitants, to bear a name—Macedonia—which Athens thinks belongs exclusively to Greek heritage.

Loss of Identity

Among the other disputes between the two states is the Macedonian flag, with the Greeks demanding a change to the emblem it carries (on a red background)—a so-called Vergina sun, named after a city in Greek Macedonia in which such an emblem was found in the tomb of King Philip II. Athens is also demanding that Skopje change some articles of its Constitution, seeing them as evidence of "irredentism."

But although everything is open to negotiation, not everything is necessarily acceptable in the eyes of President Gligorov, a 77-year-old lawyer and economist with great political experience and skill who has a long federal career behind him (in particular he was a member of the Yugoslav presidency and was speaker of the Federal Assembly from 1974 to 1978).

Hitherto, and since the collapse of Yugoslavia in 1991, he has been the only leader of the six federated republics to keep his fellow citizens out of the war, despite a highly explosive environment. For him "it is possible to discuss everything; nothing can be excluded (from discussion), but it is clear that a people cannot be asked to change its identity. Changing its name represents a loss of identity."

Troop Movements

In return, "any negotiation, any agreement implies a compromise by both sides." As for the flag, "if there is agreement, even this question can be settled." At all events, "there cannot be negotiation as long as the embargo continues." To make Macedonia bend, to ensure that it abandons its name and symbols to avoid asphyxiation, Greece is imposing a blockade on Macedonia in violation of all European Union [EU] rules. This policy means that Athens is completely isolated within the EU, its 11 partners protesting this measure, but without securing its lifting. The EU Commission has expressed the intention of referring the matter to the European Court of Justice in Luxembourg to force the Greek authorities to abandon their position.

This embargo "is causing great damage to the people and economy of Macedonia" and it is "in the interests of the EU for it to be lifted, because it does not just affect Macedonia, it violates the Maastricht Treaty. Europe must find a way out of this situation," Mr. Gligorov stressed.

He has so far received no signal indicating an easing of the Greek positions, which instead are "hardening." "Some Greek troop movements" have been noted on the border, according to the Macedonian president, who does not believe that "Greece will attack Macedonia now" and does not "think that a NATO and EU member country could behave like that."

Referring to the lessons which should be learned from the war in Bosnia, Kiro Gligorov reaffirmed that independent Macedonia "is a democratic country, a rule-of-law state, oriented toward a market economy, which wants economically open borders with all its neighbors" and that "such a Macedonia is a precondition for stability in the Balkans." "Our existence is in the interest of our neighbors, who must abandon some ambitions resulting from History, because those ambitions have always led to war."

No neighbor of Macedonia—an enclave between Greece, Bulgaria, Serbia, and Albania, and which has a very large Albanian minority—is apparently exempt from "ambitions" in one form or another. Among them, Albania is clearly not the last to engage in attentive and insistent scrutiny of Macedonian affairs.

In particular, the Skopje press has pointed out the active participation of Tirana's ambassador in meetings of the leadership of the main Albanian movement in Macedonia, the Party of Democratic Prosperity, which split after fierce internal struggles. "There is a difference between each country's legitimate right to take care of its minority, and interference in another country's internal affairs. This legitimate right means following the implementation of international norms with regard to your

minorities; but interference in the life of political parties in unacceptable," President Gligorov said with regard to Albania and its practices, about which the Macedonian Government has expressed its annoyance.

Macedonia is at present outside the conflict which has brought bloodshed to most of the former Yugoslavia. The satisfaction which Kiro Gligorov derives from this is, however, undermined by the fact that there is a "risk (for his country) as long as the war continues alongside it and as long as the crisis with Greece continues."

Government Ties to Organized Crime Examined

94BA0230A Skopje NOVA MAKEDONIJA in Macedonian 12 Mar 94 p 16

[Article by Zoran Petrov: "The Thieves Are Not Among Us—We Are Among Them"]

[Text] *Now there are already numerous indications, information, and above all, facts showing that organized crime exists in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and that among others, individuals from the Macedonian Government's ministries are involved in it. One of the most fundamental characteristics of organized crime is the brutality of its approach, and its basic method is corruption, and directly associated with it, blackmail, threats, and retaliation.*

Macedonia is one of the few countries in the world where a person can get rich overnight, with just a single deal, arrangement, or transaction. Macedonia is one of the rare places in the world where the laws exist to be evaded, where everything that is not prohibited is automatically permitted, and where one does not go to jail for an illegal shop, for example, or for tax evasion. Macedonia is a sort of unique case, where directors open private firms as partners and competitors of socialized enterprises, where state officials are deeply involved in private business, and where the transformation of state property has been turned into universal theft. In such a legal vacuum, criminals, regardless of whether they are "white collar criminals" or common pickpockets, virtually obtain an alibi for their actions. The period of the transition from one system to another is full of risks and uncertainties, even when it is thoroughly prepared and outlined, and in circumstances like ours today, the danger is doubled. From any aspect, this is a time of various con men and worldly troublemakers.

In a situation like the present one, it is evident that there has been a rapid fragmentation of citizens and increasingly deeper dissatisfaction among the public with the striking cases of abuses, machinations, and speculations. The claims that the state authorities do not have a role in such dirty business are stories for little children. In a word, no matter how painful it sounds, the ancient system of a link between economic and political power is slowly coming onto the scene in the Republic of Macedonia; in turn, this is creating the preconditions for reviving the alliance between criminal circles and the state establishment, and in some countries that is called the mafia. Thus, in parallel with the newly established businessmen, murders for hire, threats, blackmail, kidnappings, "rackets," loan sharks, and drug smugglers, have appeared in Macedonia, i.e., everything that "embellishes" a classic mafia.

The Mafia Is in the Government or...

"There is organized crime in Macedonia, and that has to be said openly for once," said Pavle Trajanov, assistant minister for operational affairs in the Ministry of Internal Affairs. What is significant in all this, in his opinion, is that organized crime has slowly begun to penetrate the state's executive branch, since criminal conduct in an organized manner is not possible unless the authorities participate in it, or in our case, individual ministries of the government of the Republic of Macedonia. As our interlocutor emphasized, there are several evident cases of machinations under the leadership of state bodies.

One of the most characteristic cases is the process of obtaining a location for the construction of a temporary or permanent building. The Ministries of City Planning, Construction, Transportation, and Ecology participate in issuing the building permit, and the Ministry of Economy for a permit to conduct business, and to these one must add the Ministry of Finance through the tax inspectorate, and the SOK [Public Auditing Service].... In this whole chain, where numerous abuses have appeared, as Trajanov said, it is impossible that some of the institutions cited are not involved. The case of importing products is even more specific. We have analyses for three years back of which firms received import permits and which amounts they imported, Trajanov said, from which it can be clearly seen that all these things revolve around a small number of enterprises which receive import permits, and then simply sell them to another firm and, naturally, in the end the money is shared with the one that provided the permit. In other words, the one who is closer to the authorities through any type of "closeness" gains a privileged status for earning a profit. Thus, there are no built-in criteria for all those who have an interest in importing; instead, protectionist measures are created, through which only a narrow circle of firms are patronized. I can state quite authoritatively that the executive branch bodies are behind all of this, Trajanov said categorically. This highly organized crime has been going on for two years, and high officials in both the production enterprises and the government are participating in it. According to the assistant minister of internal affairs, it is not possible for what is produced and what is marketed not to be recorded without the involvement of some government ministry, since the net profit from just one truckload of cigarettes is about 300,000 German marks [DM]. The basic methodology of organized crime is bribery and corruption. According to our interlocutor, these modes are conducted today in a very perfidious manner. "We have a great deal of information," he emphasized, "that state officials, even government ministers, have private firms, usually in the name of a close relative, through

which organized crime takes place. How? The method is very simple—first a permit is obtained for the transit or importation of certain goods into Macedonia, and then the trade in the goods is conducted through one's own firm. Formally, everything is within the law," Pavle Trajanov said, "but the genesis is in the ordinary abuse of one's position. Nevertheless," as our interlocutor emphasized, "the most modern form of organized crime is acting as a middleman." In other words, those who are a factor in decisionmaking only act as middlemen among two or more firms, and receive a commission in return. For example, if there is an offer from some foreign firm, for instance for exporting technical equipment needed by a certain ministry or other state institutions, then the "middleman" appears, and puts the foreign firm in touch with the domestic one and charges a commission for this. This, Trajanov said, constitutes a textbook case of corruption.

...The Government Is in the Mafia

"As police, our hands are tied by several things that keep us from dealing with organized crime efficiently," Pavle Trajanov said. In his opinion, it is impossible for the police, without cooperation with other supervisory bodies in the state, to act on their own in this area, and likewise, another big problem is the still incomplete legal regulations defining certain relationships in the state, which at the moment are actively being exploited by organized crime. Our limitation, our interlocutor emphasized, is the constitutional barrier according to which only letters can be monitored, while the monitoring of telephones and other means of communication is not permitted. If this does not change in a short time, and the use of these operational-technical means that would be used under strictly established legal conditions and by a decision by a competent judge is not permitted, we will only obtain information that we will be able to comment on, but it will be much more difficult for us to obtain evidence, without which criminal proceedings cannot be started, Trajanov stated categorically.

Now there are already various indications, information, and above all facts showing that organized crime exists in Macedonia and that above all, the state institutions of the executive branch are involved in it. All of this, Trajanov emphasized, does not force us as the police to restructure ourselves organizationally. It is planned that a special section will be formed soon at the Ministry of Internal Affairs that will deal exclusively with curbing organized crime, and that will possess all the necessary conditions for effective operation. That, above all, means its staffing and professionalization of its operation, as well as providing it with appropriate technical equipment.

"I want to emphasize," Trajanov said, "that the Ministry of Internal Affairs is seriously preparing and is already considerably involved in all these matters associated with organized crime. The Ministry of Internal Affairs," he added, "possesses an extensive body of information, and it is known quite well who is involved in these illegal activities, how, and why, including individuals who at the moment are in high government positions."

Parallel Rule by Organized Crime

"Collective organized crime constitutes one of the forms of professional crime which is characterized by a close alliance between professional criminals and law enforcement officials," said Dr. Tome Batkovski, a lecturer at the Security School in Skopje. According to criminologists from Western countries, of which this form of professional crime has been and is most characteristic, organized crime could not exist without connections and assistance from politics and politicians. "Professional criminals' connections with government officials," Batkovski emphasized, "gives representatives of organized crime an enormous advantage over other criminals, precisely because of that protection that they have. There is actually a tremendous threat to the human rights of a large part of the population, just because the center of power goes outside the framework of the legal institutions."

The criminal areas of activity of collective organized crime consist of smuggling narcotics, white slavery, smuggling money, gold, and other valuables and cultural goods, smuggling weapons, carrying out paid killings, prostitution, gambling, and recently, selling ecological wastes. According to Dr. Batkovski, the characteristics of the illegal associations whose activity in practice is organized crime are the following: above all, internal organization, structure, the existence of internal standards of conduct with discipline in carrying out assignments, a division of duties, a broad radius of activity, high effectiveness with the use of modern methods, a high degree of maneuverability, and going beyond the national framework. Finally, according to Batkovski, one of the most fundamental characteristics of organized crime is the brutality of its approach, i.e., a lack of scruples, and its basic method is corruption, and directly associated with it, blackmail, threats, and retaliation.

Organized crime represents a tremendous social danger, above all because it introduces disorganization in the state, destroys the legal fabric of society, instills distrust among the legal state bodies, and in the case of smaller states, there is a danger of parallel rule by organized crime, which can have unforeseeable consequences for undeveloped countries, including Macedonia. According to Dr. Batkovski, the extent of the power of this form of crime is best illustrated by the case of the Colombian cocaine mafia, which offered to repay part of this country's foreign debt, in the amount of—believe it or not—$28 billion. In return, the Colombian Government was supposed to refuse to extradite the captured heads of the drug mafia to the United States. Dr. Batkovski stressed that this is a vital example of the enormous power of organized crime.

"We are talking about an extremely serious matter, and I think that the struggle against this organized crime has to be an integral part of a national strategy in the broader

sense," our interlocutor emphasized. "Without that, through palliative and partial solutions, nothing can be achieved," Tome Batkovski said in conclusion.

[Box, p 16]

Batkovski: "Organized Crime Should Not Be Underestimated"

"If we are talking about the struggle against organized crime, we should note once again that it possess enormous power and influence. It is precisely for that reason that it is always one step ahead of society in the use of modern methods and resources. That means that in curbing it, the state's expert bodies and services have to keep up to date, and stay in step with the methods and resources used by representatives of organized crime. From the standpoint of its organization, modern operational services have to be created that will be capable of maneuvering quickly and adapting to organized crime's methods and resources, but on the other hand, that requires a societal guarantee to the employees of these services—not just by ensuring the safety of their families, but also in their salaries, since it is an illusion that an employee with a salary of DM300 or DM400 will objectively be capable of dealing with illegal activities in which hundreds of thousands or millions of German marks are involved."

[Box, p 16]

Trajanov: "Some Political Parties Are Also Financed by Dirty Deals"

"I can authoritatively state that the mafia in Macedonia is assuming an increasingly larger scale and is threatening to grow into a parallel state government. Likewise, I stand behind the assertion that numerous people in authority are also involved in organized crime in our country, especially in the Macedonian government's ministries. Those who are now enriching themselves this way will slowly and surely achieve influence in political life as well. We already possess information that certain political parties are being financed by such dirty deals and 'businesses.' In other words, someone who invests in a certain political party will subsequently demand compensation, i.e., greater political influence and participation in the division of power in the country. All the preconditions now exist for a high degree of corrosion in the state, and the consequences are truly extremely dangerous. Unless Macedonia urgently undertakes something in the area of legal regulations and the internal organization of all structures and supervising bodies, I think that in two or three years we will find ourselves in the same situation as some of the neighboring countries."

Federal

Conflicts, Recesses in Federal Assembly Noted

94BA0228B Belgrade NIN in Serbo-Croatian 11 Mar 94 pp 22-23

[Unattributed article: "And Now a Recess"]

[Text] *This kind of parliament, if it is in the interest of the ruling party, can remain until the next elections—without doing anything. And Lilic could say that Yugoslavia needs a parliament that it will be proud of, if it goes down along with the dinar.*

The federal parliament—after it tried last week to extricate itself from four months of a blockade—became entangled even deeper in the quicksand of complete uncertainty. Just as the Council of Citizens ended its recess and began a session on 2 March, Radoman Bozovic declared another recess on the evening of the very next day.

When Bozovic declares a recess, it has never turned out well, at least not so far. The experience of this chamber of parliament and its current membership confirms that any other miracles are possible after a recess.

On the night of 31 May-1 June 1993, for instance, bloody demonstrations broke out in front of parliament. The fierce clash between police and demonstrators in front of the Federal Assembly was preceded by an incident in the Assembly building. Bozovic, as always when he is at a dead end or someone tells him "That is necessary," in one classic knockout arbitrated—with a recess. Even after the Assembly was disbanded on 20 October, when Slobodan Milosevic said that the people needed a parliament that it would be proud of, the session of the Council of Citizens ended again with a recess.

Bozovic apparently has all the rights to that patent. The people's deputies have not yet come to ask whether he is doing it all himself or whether someone is helping him. It is said, admittedly, that his dossier, after the ministerial scandal, in which Bozovic played the role of the third man, is still on Slobodan Milosevic's desk. Allegedly, whenever the president of Serbia needs that role he reminds Bozovic that 700,000 German marks have not been found yet and that an investigation could begin. Milosevic, according to that scenario, puts pressure on Bozovic and the latter subsequently puts pressure on whomever he needs to. It seems that he does not even have to be particularly persuaded to do so.

In contrast to a comic strip, the situation with continuations in the Federal Assembly is incomparably more complicated: They are always announced, but they are never seriously meant. After all, some special customs prevail in parliament, along the lines of "It may be, but it does not have to mean anything." Admittedly, Bozovic more or less promised a continuation "as soon as possible." It was clear that that promise was completely consistent with the promise by his Socialist colleague Milomir Minic, who tried to use the quarrel between the Serbian and Montenegrin Radicals to appeal to the people, who are viewing this performance comfortably and directly. "The people are good at taking the measure of political options which, according to our (the Socialists') understanding, are a transitory phenomenon on the Serbian political scene." The people are asking the Socialists "to be involved in the key issues," and those, according to Minic, are peace, economic renewal, the functioning of a law-governed state, and the unification of political forces in the country.

Except for the "two eyes in the head"—the deputies of the Socialist Party of Serbia and the Democratic Party of Socialists of Montenegro, who are fraternally pressing each other in an apparently increasingly firmer embrace and more and more exaggeratedly offering proof of their mutual love—all the others in the federal parliament are deeply affected by quarrels and schisms. Kilibarda's four Populists, with all their labor, are still unsuccessfully trying to recall the interests of the people and the state.

The "Socialist fortune hunters," as Seselj honored his former allies last Tuesday, and the Radical "street thugs and primitives," as they were already characterized on Wednesday by the Socialist Party of Serbia in an official statement for the public, have taken off the gloves and a fight with bare fists could even start now. The ring has been moved from the Serbian parliament, where it was in the fall, while the Radicals tried unsuccessfully to overthrow Sainovic's government, to the Federal Assembly.

The conflict cannot be disguised any longer: the conflict is here. Like every bad alliance or bad marriage, the link between the Socialists and the Radicals apparently also has to collapse with curses, hatred, and a deafening uproar. Since such scenes imply an audience, both the Radicals and the Socialists think that it is good to have the performance take place in public: the people will be able to choose the better ones.

It seems that SOMEONE has upset the born Montenegrin, of Serbian origin, and the warlord who is still proud of his confiscated title today, who were constantly caught until last summer in the act of illicit love. Nothing is left of their mutual respect. The final scene of the session that was interrupted last Wednesday (before Bozovic used a recess to prevent something more than a quarrel) shows that at the heart of the parliament there are two angry and merciless enemies, whose quarrels, or something worse than them, are yet to come. Almost driven mad by Seselj's insistence that he stay at the rostrum, Bozovic, perhaps with the intention of keeping the "people" from hearing everything that he would say, pressed the key to turn off the speaker, but poured into in his microphone a whole heap of accusations at his expense.

"Your insults are over.... I hope that you are civilized enough for a deputy's seat.... You are uncivilized.... You have misused the podium enough. I will demand that they remove you...." Bozovic got angry, so that finally Seselj retorted with a single sentence, in a similar style, that there would never be an end to Bozovic's insolence.

All of this, however, is only details, or at least the outward manifestation of the serious drama through which this parliamentary membership is passing. It is becoming more and more obvious that this Federal Assembly is not lucky with the people's deputies. Just when one thinks that finally it will start to do its job, to pass at least some of the laws which we cannot have done without for a long time now or to deprive the third Yugoslavia of the application of regulations that were in effect in its past, the deadlock appears inevitable. It is not possible to move out of the deadlock to which parliament is constantly returned by the quarrels and incidents.

After the split between the Socialists and Radicals, it seemed that the opposition would take fate into its hands in parliament. With the collapse of that alliance, the ruling parties of Serbia and Montenegro lost a majority in the lower chamber. The illusion, however, was only a parliamentary episode, and the opposition deputies, for the most part, were not capable enough to take advantage of that split. In the meantime, while parliament's work was blocked, the "political police," publicly accused of causing conflict within the opposition parties, did not sit with their hands folded. Whether someone outside was undermining the political parties or whether they, like all other organisms, were "multiplying" from themselves, is less important than the already noted fact that divisions within them, usually, indicate new elections.

In regard to what is happening in the Federal Assembly, perhaps one of those two historic sentences of Slobodan Milosevic is not unimportant (the first is the one from Kosovo, "No one should beat you"), uttered precisely in parliament, as a message to the Rakovica workers: "And now, everyone to his job." Any good reader of the message realized that the job applied considerably more broadly and deeply than the auditorium in which it was mentioned.

Perhaps the "job" had to do with the battle for renewed prestige in parliament? Since the lost majority with which they were faced last October, the Serbian and Montegrin Socialists—as unsurpassable technicians of power—gained (it does not matter whether it was on their own or by assignment) the desired balance of power, in their favor, to such an extent that they virtually no longer needed the opposition. Of the 20 DEPOS (Democratic Movement of Serbia) deputies in the Council of Citizens, 11 (whom the SPO [Serbian Renewal Movement] were expelled from the party but who nevertheless succeeded in keeping their places on the benches) are "renegades," seven declared themselves to be SPO deputies, and Milorad Savicevic and Pavle Nikolic declared themselves to be "non-party figures." The leader of the SPO, who is demanding a separate deputies' office for his wing of the party, made his seat in the Council of Republics conditional upon a new discussion of depriving the 11 rebels of their seats.

The attitude among the Democrats is even apparent in the Assembly restaurant. The new leader, Dr. Zoran Djindjic, represents that party in the Council of Republics, and the old one, Dr. Dragoljub Micunovic, is still considered the leader of the deputies' group in the Council of Citizens. Dr. Miroljub Labus and Miodrag Perisic sit at the table with Djindjic, and Dr. Ivan Vujacic and Desimir Tosic with Micunovic. Djordje Zecevic was also absent from this session, while Dr. Dragan Domazet also went abroad—i.e., the two wings of the Democrats.

The Radicals, proud of their party discipline, although they expelled from their ranks three deputies from the Montenegrin SRS [Serbian Radical Party], did not succeed in having granted the desire to deprive them of their seats. Allowing the Montenegrin Radicals to complaint about Seselj, Bozovic, "in the name of defending the status of deputies, rules of procedure, and laws," "verified the will of the Council," and returned the previously denied seats to the Committee on Mandate-Immunity Issues for further consideration. Then the chairman of that committee, Radical Jovan Glamocanin, suddenly submitted his resignation, and the vice president of the Council of Citizens, Maja Gojkovic, saying that she had not agreed with Bozovic for a long time, also ostentatiously left the deputies' bench.

The Federal Assembly has been faced with this practice for the first time: Deputies refuse to participate in committees and commissions, but remain in parliament. In the corridors of the Assembly, the question of who will be vicpresident of the Council of Citizens has been answered by the joke that it will be Radmilo Bogdanovic, who was re-elected vice president of the upper chamber that day. Recommended by the Socialists on both sides (the signatures of Radoje Kontic and Milos Radulovic are prominent among the Montenegrin signatures), Bogdanovic was only denied the votes of the Montenegrin Radicals and two Democratic Party deputies.

The Council of Republics, on which representatives of the opposition counted so much, has been strengthened in a way that few people could have expected. In addition to Bogdanovic, it now also has two Zorans—Andjelkovic and Solokovic. With a rump composition (16 instead of 20), the Serbian Assembly was able to choose its fiercest fighters. No one paid attention to Novak Kilibarda's criticism that no chamber was constituted with a rump composition anywhere in the world, and that this one should not be constituted when it was reduced by 10 percent of the deputies. Thus, this Council, as in the past, can adopt whatever it cares to routinely and without debate: The majority is always

powerful. After all, even before the blockade this chamber was able to choose federal judges, and Dragoslav Jovanovic as governor of the National Bank of Yugoslavia, or, as now, to adopt the federal budget and later, when it did not get through the other chamber, to get over it and go on.

With that kind of Council of Republics and that kind of Council of Citizens, the federal parliament—if it is in the interest of the ruling parties and the current regime—can wait for the next regular elections without doing anything at all. Of course, if the leader of the Radicals does not intend to turn his clash with the federal prime minister about "secret dinners" and "kisses with Dafina" into a demand for the replacement of Kontic's cabinet. It is difficult to say whether Seselj would obtain support from the ranks of the fragile and internally undermined opposition, since only seven deputies raised their hands for his proposal for a vote on violation of the rules of procedure.

What could the head of state do in that case? Could Zoran Lilic, on his own or "on assignment," one evening, in the leading news story on state television, be the first one to pound his fist on the table and then say that Yugoslavs needed a parliament that they could be proud of? He could—why not—if he used the contrived recovery of the dinar and the economy. If the new governor really holds out and does not allow printing money for the needs of the budget, and prohibits borrowing for the budget if there is not enough foreign exchange to cover it (and there is no coverage for March), and, all in all, succeeds in surviving until the middle of the year, when many people expect an end for him like Panic's and Cosic's, a celebration has to be arranged for the people. So far they have not had any better entertainment from replacements and elections.

Mladic's Career, War Crimes Reviewed

94BA0228A Belgrade NIN in Serbo-Croatian 11 Mar 94 pp 28-29

[Article by Gaja Petkovic: "Guarantees of the Almighty"]

[Text] *In connection with a column presenting an interview with General Ratko Mladic (NIN, 7-18 January 1994), we were contacted by reporter and military commentator Gaja Petkovic, the former chief and managing editor of NARODNA ARMIJA. We are publishing his somewhat abridged and edited contribution.*

In April 1992, NARODNA ARMIJA informed its readers that "because of the successful conduct of war operations," 13 colonels had received special promotions to the rank of general that 519 active military officers had received special promotions to higher ranks, and that 2,040 members of the Yugoslav People's Army [JNA] had been decorated for wartime services, 226 of them posthumously. Most of them, certainly, were honorable people, competent officers and heroic soldiers (although many of them did not know the goals of the war, nor could they understand, at least in the beginning, that the war that they were waging was not actually "their" war). Unfortunately, there were also those others....

The explanation of Colonel Ratko Mladic's special promotion said, among other things, that he was being granted the rank of general "for exceptional conduct and action in carrying out combat missions of particular importance for the armed forces and the country's defense, as well as for successful command and leadership, initiative, and personal bravery."

At that time Ratko Mladic was chief of staff of the JNA's Knin Corps. What that "exceptional conduct and action in carrying out combat missions" looked like in practice is best illustrated by a detail from a book by Misha Glenny, a prominent BBC correspondent for Eastern Europe, *The Fall of Yugoslavia*, published in London in 1992.

"After he showed a weapon that he had personally captured from the defeated Croatian and Slovene fighters, General Mladic, who obviously enjoyed the attention of his listeners, giggled while he prepared to play us a recording of a recent telephone conversation between him and the head of the Croatian Ministry of Internal Affairs in the nearby port of Split, one of the most militant HDZ [Croatian Democratic Community] bases. Although they had not expected each other in the places they were in, it turned out almost immediately that they were old acquaintances:

'Is that you, Mladic?'

'Yes, old enemy, what do you want?'

'My three guys disappeared somewhere near here... so I would like to know what happened to them.'

'I think they are all dead.'

'One of their parents is here in connection with it. Then I can tell them for certain that they are no longer alive?'

'Yes, certainly, I give you my word. By the way, how is your family?'

'Well, not bad, thanks. And yours?'

'Fine, we are doing well.'

'I am quite glad to hear it. By the way, since we are already in touch, we have about 20 bodies of your people here near the front; we killed them. We put them in a mass grave, and now they are stinking to high heaven. Could you perhaps come to collect them, because they are becoming really unbearable....'"

"The friendship between the opposing merchants of death on a large scale was one of the most horrible phenomena that I observed during the war," Glenny commented.

Who actually is General Mladic?

Tito's Apprentice

Ratko is a war orphan. He was born in the village of Bozinovici, near Kalinovik, in March 1943. He does not remember his father, but feels clearly, and today stresses emphatically, that he died a heroic death in 1945, attacking the village in Herzegovina in which the Croatian fascist leader Ante Pavelic was born. Mladic began his military career in an unusual way—by apprenticeship. As a 15-year-old, he left village life and headed for Serbia, for Zemun, where he graduated from a defense industry school, and then (when it was possible) enrolled in the ground forces' military academy. The military career of Second Lieutenant Ratko Mladic began in 1965. He was a platoon commander in Skopje, a battalion commander in Kumanovo, a brigade commander in Stip, the Pristina Corps commander's assistant for logistics, chief of staff of the Knin Corps, and then its commander. In all of those duties Mladic displayed impeccable loyalty to the communist regime, its commander in chief Josip Broz, and Yugoslavism, and he always successfully met high standards of moral and political suitability, which made possible for him an exceptionally rapid rise through the ladder of the military hierarchy. At that time Mladic did not talk about any sort of "Serbdom," about "Serbian military traditions," the "Serbian national interest," or a "unified Serbian state." He was clever and morally adept enough to know what he should say at what time.

When he had completed all his military work in Croatia, on orders from the JNA military leadership he was transferred to Bosnia-Herzegovina, in order to fight on his native soil as a born Bosnian (since Yugoslavia "did not participate in the war" in Croatia and Bosnia-Herzegovina), and in order to "liberate" it heroically, as an already proven fighter without fear or fault.

The fact that it is claimed now and then, especially abroad, that while fighting in Croatia Ratko Mladic "remembered the past, his deceased father and his unhappy childhood, and let loose his inborn sadism" can but does not have to be accepted. The same thing could also apply to the claims that for everything that happened "in Gospic and Zadar, as well as other areas in which his units fought, Mladic is one of those most responsible for the war crimes that happened on the territory of Croatia." With respect to the war in Croatia, however, it remains an indisputable fact that the former Yugoslavia's Secretariat for National Defense, responding in writing to a report by the international organization Helsinki Watch on violations of the rules of humanitarian law by the JNA (whose general Ratko Mladic was), admitted that such violations had occurred, and "that those violations in this conflict were committed by individual members of the JNA or members of other armed units under the JNA's responsibility...." The response then states that proceedings had been initiated before military courts against several dozen military personnel "who had committed robberies," "crimes against the civilian population," "rapes of women of Croatian nationality," and so forth.

The above-mentioned response by the Federal Secretariat for National Defense to Helsinki Watch also contains other admissions of violations by the JNA of the rules of humanitarian law. Thus, among other things, it is emphasized that a multitude of camps were formed for the "reception" of prisoners, that those camps were also located "outside of Serbia... in Knin, Bileca, Stara Gradiska," that "one cannot deny that (in those camps) there were cases of excessive behavior and attempted physical abuse of the prisoners," and that "several individuals who performed guard duties were replaced" for that reason (!). The military leadership also admitted that "the report states quite correctly that during the armed conflict in Croatia many religious and health care facilities suffered (churches, hospitals, and so forth)," and that the same situation as with Vukovar also existed "in many other places (Zadar, Sibenik, Vinkovci, and so forth)."

Can Ratko Mladic, like many other conceited warlords in this war, really believe that he will succeed in evading his undoubted responsibility for the crimes of members of the army that he led throughout the war in Croatia and which he headed? In response to a question from NIN's reporter (on 12 February 1993), however, about whether he was upset by the fact that the Americans, Croats, and Muslims had declared him a war criminal, Mladic said: "I would be concerned if a list were published in France or the United States of the war criminals who committed crimes near Dien Bien Phu, in Vietnam, in Cambodia, and in other places." Such careless reasoning is simply striking, when he virtually equates his actions in the war in Bosnia and Croatia with the crimes that were committed so many years ago by professional killers in Vietnam and Cambodia!

"The Burning of Sarajevo"

It was only when he arrived in Bosnia as a JNA lieutenant general that Mladic liberated all his destructive energy and let loose his warlike passions. Everything contributed to that behavior of his. Two magnates, Slobodan Milosevic and Franjo Tudjman—the inviolate "gods of war" in this region of ours—had already (according to many reliable claims) reached an agreement on the partition of Bosnia-Herzegovina. A third magnate, Alija Izetbegovic, balancing between the international community, primarily the Americans, and Islamic fanatics, and often courting Tudjman as well, decided that he would not allow them to do anything like

that. The Serbian side found an executor for its destructive business in a God-given figure for something like that—Ratko Mladic.

During the initial period of the war in Bosnia-Herzegovina, the Serbs were superior in heavy artillery. Mladic's army was the only one that had (truly respectable) heavy artillery. Naturally, the militant general could not help but make maximum use of that chance. Everywhere around Sarajevo, he deployed dozens of large-caliber steel barrels (76, 105, 122, 130, and 155 millimeters, 128-millimeter Plamen and Oganj multiple rocket launchers, and 60, 81, 82, and 120-millimeter mortars), and, in accordance with the plan of vengeance whose ideological creators sat in Belgrade and in Pale, he began the long-awaited war feast.

Actually, Mladic knew quite well that no one, objectively, was in a position at that time to offer him any serious resistance, and so he roared where it was actually necessary, and also where there was no military or any other justification at all for anything like that. The cost of destroying Sarajevo was no longer important at all. What was important was to "teach a lesson" to Alija and his followers. That is why Sarajevo was destroyed, burnt, and demolished for months, and its people were butchered and killed. In moments of rage, and even instinctive hatred of the enemy, the air force was also summoned "to help." And the enemy? To the extent to which he was capable of doing anything serious at that time, he did not turn the other cheek.

Muslims, Serbs, and Croats suffered equally from Mladic's artillerymen and their shells. In the beginning, admittedly, the JNA used its transport aircraft to save citizens of Sarajevo, primarily those of Serbian nationality and the family members of active military personnel. Close to 100,000 Serbs, however, were left in their homes in Sarajevo to attempt, sharing the fate of their fellow citizens of other nationalities, to await the end of the war. Mladic's artillerymen were thus also the killers of their own people. Together with their general, they also earned awards, decorations, and promotions on the basis of Serbs' wartime suffering. If he ever does answer for the war crimes on the territory of the former Yugoslavia, however, the most serious accusation against Mladic, of course, will be because of Sarajevo.

According to the testimony of an officer responsible for organizing communications in Pale, Mladic taped many of his most unpopular measures in the war in Bosnia-Herzegovina. Thus, often carried away by the rage and brutality characteristic of him, he invented the previously unknown commands to artillery units: "Burn," "roast."

"Idiotic Statements"

Mladic's behavior almost infallibly leads to the conclusion that he is a person who, when the military situation requires, can be both a cynic and a sadist. Here is one example: "Even one life lost in this insane war is a lot. The losses on our side were not high.... I do not know about the casualties on their side, but I think that they were massive.... They would have been even higher if we had not spared them!"

After the failure of British Lord David Owen, cochairman of the Conference on Yugoslavia, to persuade the leadership of the Bosnian Serbs in the Bosanka villa in Belgrade to accept the Vance-Owen maps (on the partition of Bosnia-Herzegovina into 10 provinces), General Mladic, in response to a reporter's comment that Owen had left the meeting quite angry, said "with a characteristic sly expression on his face," "Not at all, he was a refined and mild person, who cannot get angry. It must be that this Belgrade sun got in his eyes, and so it seems to you that he is angry." And in response to a reporter's question about what was the biggest obstacle to peace, Mladic said: "The biggest obstacle to peace is war!"

The law always lay in a mace for Ratko Mladic. He knew how to draw it even when political decisions were involved. As the already "glorified" commander of the Knin Corps and a person who had learned not to listen to anyone, as soon as he arrived in Bosnia, in Pale, he demanded "that the political leadership of the Bosnian Serbs immediately and unconditionally put itself under his control and not adopt any political decisions without the permission of (his) military command" (!). Somewhat later, when the Americans and the EC, because of the more frequent shelling of Sarajevo, requested permission from the UN Security Council for carrying out airstrikes against the Bosnian Serbs' artillery positions, Mladic threatened nothing more or less than "bombing London and Washington"! General Manojlo Milovanovic, chief of staff of the Serbian army in the former Bosnia-Herzegovina, took his militant commander under his protection. Milovanovic said that General Mladic was not thinking of a conventional bombing of the capitals of the United States and Great Britain, but was instead talking about bombing "from within." Serbian "kamikazes" had already been "installed" in the above-mentioned areas and were only awaiting instructions from Pale, the general concluded!

Because of his generals' "idiotic and irresponsible" statements, as he called them, Karadzic suffered a great deal of unpleasantness. On 17 May 1993 he was forced to refute Mladic publicly. He said that the general "reacted emotionally when he stated that he would bomb London and Washington, and that he was not authorized for anything like that."

After the successfully conducted operation Lukavac-93 (Mladic would say of it, "it encompassed the area from Gorazde to Ivan-Selo; its goal was to link Herzegovina with the other areas of the republic of Srpska and territorially link up the Serbian people from Kupa and Korana to Timok!"), the general triumphed again. In July 1993 he sent the Muslims an arrogant message: "They should not dream that anyone else will protect

them. They will protect themselves if they abandon their weapons! If they give them up, they can live in the territories that we leave them. Even that is a lot for them.... It is up to Alija and those who advise him to think about what they will do. I have left Sarajevo for last!"

In all of his statements, in any case, almost every inch of Bosnia-Herzegovina is originally Serbian! In February 1994 he would also utter this judgment regarding Srebrenica: "It has been a big Islamic and Turkish stronghold since their arrival in this region.... That settlement was erected on Serbian land, and so by the rule of inheritance (!), it does not belong to them (the Muslims), even though they were the majority population there.... If it had not been for the interference of the international community, they would have paid the price for everything that they have done to the Serbian people until now.... The Srebrenica Turks committed the biggest crimes against the Serbian people in the suppression of the rebellion against the Turkish governor!" Or: "We had very strong clashes for the village of Osmace," Mladic recalled on the same occasion. "It was a large Muslim village in which no Serb had ever set foot until we liberated it."

Mladic was able to say of the Serbian, Croatian, and Muslim mothers who protested against his hatred, sadism, and wartime madness and those of all the others, as well as of the organizers of antiwar demonstrations: "During that time (from 1991 to 1993—author's note) a terrible destructive movement developed... attempting to embody some sort of love movements, mothers' movements... They were allegedly some sort of conscience of the Serbian people.... They are well-rehearsed quasipolitical animals" (!).

Warlord Stepa's Cap

Generals, whose political outlooks as a rule are very limited, who rely in every matter primarily upon military force and power, often try to interfere in politics and to have the main say in it. Such people usually hang up their epaulets very soon. Political history is full of such examples, but the freshest ones are precisely those which have to do with the fates of some of the generals in the UN forces on the territory of the former Yugoslavia. Will Ratko Mladic also suffer that fate?

Radovan Karadzic, we would say, did not completely succeed in curbing Mladic from publicly stating his own views on the war in Bosnia and talking about its cases very frequently.

Two statements which are, to put it mildly, unusual, are associated with his first (and probably last) official visit to Geneva: "During my visit to Geneva," Mladic said, "I watched various West European TV channels. They have a very controlled system. In the first part of their news broadcasts, they give everything that is wonderful in their country.... And poverty in the West is even worse, but they do not show it. The West has realized that the human brain has limited capacity and so it moulds it like well-mixed dough."

The general's second statement has to do with his "concern" about the fate of the world: "During my visit to Geneva, in the negotiations, I noticed (!) great concern among ordinary people over what is happening in our country. People are frightened.... The war which happened to us can easily spread to them, especially if there were some sort of foreign military intervention in our region."

Finally, let us also say this. General Mladic was also able to offer these "international guarantees" to the head of an internationally recognized state (more or less), Alija Izetbegovic: "What I guarantee (you) is the same thing as when the Almighty gives you a guarantee."

At one time, when politicians on both sides of the Drina, and also many outside this area, assessed that at the given moment it was advisable—politically, diplomatically, and militarily—to accept the Vance-Owen plan for Bosnia, because any subsequent solution could be both worse and more painful for the Serbs in Bosnia and Yugoslavia, General Mladic was asked (as we have learned from the well-documented book by Dragoslav Rancic, *Dobric Cosic, a President Without Power*) to be among the first to speak in the Republic of Srpska Assembly, and to use his prestige to influence the militant delegates to accept the plan. In contrast, those who know claim, "during his 45-minute speech he advanced the 'crowning arguments' and definitively destroyed all doubts in connection with the fate of the peace plan." Mladic, they say, personally prevented Republic of Srpska Assembly deputies from going to Belgrade and participating in the work of the "all-Serbian parliament" at which a decision was being made on the same issue.

The extent of Mladic's hotheadedness and willfulness, but also of his insufficient ability in maters in which the mind prevails, is very illustratively confirmed by these few sentences from Cosic: "...The military leadership of the Bosnian Serbs also bears the responsibility for Herzegovina. They did not give the people of Herzegovina everything that we sent them. Mladic even wanted a counteroffensive, which would make the situation in Herzegovina worse...." Asked what influence he had over Karadzic and Mladic, Cosic answered, "Modest, insignificant. Many of my efforts have failed so far. We were able to reduce some disasters. No war has ever been rationally conducted, however, including this one. Peace is a vital interest for us. The longer the war, the more dishonorable the compromise." How visionary these words of Cosic's were, which were uttered almost a year ago, is best confirmed by today's events (February 1994). Mladic, however, wanted war then, as always before. And he has had it! For how long?

In mid-August 1993, the well-known English reporter Robert Fox published a lead article in the London Daily

Telegraph about the 30 most dangerous "warlords." "Some of them," Fox said, "see themselves as saviors of their nations, others are common gangsters, and yet others are sadistic opportunists...." As many as 16 well-known international correspondents were involved in the compilation of Fox's list of "warlords," which also included five of "ours." One of the places also belonged to General Mladic:

"Ratko Mladic: based in Pale; territory 65-70 percent of Bosnia; forces 70,000-100,000 men, plus tanks, artillery, and aircraft.... The person who decides on war and peace in Bosnia. A tactical genius, but according to officers who have negotiated with him, also a madman. One representative of the UN describes him as a sadist, a psychopath, and an extremely dangerous individual...."

At one time Vuk Draskovic asked, "Do we really want the world to understand us through such politicians and such conduct of the war? I will not admit that Serbs are the ones who put Warlord Stepa's cap on their heads and then think that they also have Warlord Stepa's head under the cap, babbling from TV screens, 'We do not take prisoners, we kill them all!'" Although I do not care for Mr. Draskovic, I must admit that there is nothing to add to this.

National Bank Governor Interviewed

94BA0220A Belgrade VREME in Serbo-Croatian 7 Mar 94 pp 19-21

[Interview with Dr. Dragoslav Avramovic, governor of the National Bank of Yugoslavia, by Dimitrije Boarov; place and date not given: "The Governor of the Hard Dinar"]

[Text] *Following the surprisingly good start of the anti-inflation operation, Dr. Dragoslav Avramovic, who headed the team of experts that drafted the Program for Reconstruction of the Monetary System and Economic Recovery, was last week easily elected governor of the National Bank of Yugoslavia [NBJ] in the Yugoslav Assembly (in both houses on 1 and 2 March). We talked on that occasion with Dr. Avramovic about the broader "systemic" issues related to the Yugoslav economy's transition.*

[Boarov] Mr. Avramovic, in a short time more people have rallied around your superdinar than all the political parties together can command. Are we looking at a widespread "hunger for stability," or did the old inflationary model collapse by itself, so that the superdinar was "fated to succeed"?

[Avramovic] I do not know whether there is a difference between those two views. During the first week the desire to finally arrive at a stable currency was mixed with great anxiety. People were saying—this is fine, but are they able to negotiate a turnaround? After a week, people began to believe that something good had been undertaken, although there was still fear.

To be honest, I personally had become convinced that there was absolutely no other solution. In the end, we had only one choice: the choice between distribution of the remaining foreign exchange reserves and a new currency. The first solution would have only been a band-aid, while the latter offered a chance of radical remedy. The desire for stability is, of course, immense, because people have become frightened. In recent weeks, hyperinflation has seemed like profound social disintegration of a very serious kind.

[Boarov] Even though real reconstruction of our system is only beginning, do you accept the argument that it is now evident in our country that real transition from a state economy to a market economy begins with a sound currency and the view is wrong that it should come only at the end of the reform?

[Avramovic] A sound currency was an absolute precondition for anything else. I do not believe that we could have had even a nonmarket economy under the inflationary flood. It would have meant, for example, taking food from the farmers by force, which is what befell Russia in the 1920's. An extreme policy was not one of the choices.

However, it is not easy to answer the question of what our market economy will look like in its further development. If I were making the decisions about that, I would say that the economy has to function according to very traditional principles. And that means: sound money, performance of contractual obligations, no price controls (except for pure monopolies), total equality of the private, government, and cooperative sectors, and so on. For me, those are categories which must be beyond political discussion.

Only the future can show whether such a system would be predominantly a system of private ownership or not. The Socialist Party would probably want the volume of government intervention to be very broad, and some people would want something else. Perhaps a consensus could be arrived at concerning a significant role of the government in the economy, because it has not been proven that the private sector is inherently superior.

What must not be allowed is for the government to be involved in setting prices, establishing rebates.... Nor can it be juggling interest rates; that is, it can influence them only up to the level to which a central bank normally influences the banking system. But here again there is a limit.

[Boarov] Let us turn to the occasion of our meeting. How do you perceive the election as governor? Some interpret this as a concentration of responsibility for the possible failure of the superdinar, while others welcome this as a logical move.

[Avramovic] I hesitated to accept the post of governor. That was an open secret. I thought the main thing was to draft the program, because I am not an administrator. I

do not like administrative responsibilities. However, I would not like to see the whole thing go to ruin.

Whether I can carry out that program better than someone else is a question others have answered. In any case, the argument that all the responsibility is now being thrust on me is not realistic. I do not think it is a question of that. No one can thrust everything on one person. There will always be such attempts if it all goes crazy. But I personally have no fear in this regard, although everything is possible. The main reason why I hesitated is that I am not the commander type, and we are talking about the system of the NBJ, which amounts to two Russian divisions—10,000 people.

Nevertheless, I believe that I now have a chance to do what I think should be done in the way that I think it must be done. I am, of course, referring to what is in the jurisdiction of the NBJ. Within the limits of what can be done, and I have a precise opinion of what it can do and what it must not do, but also what it must do.

The central bank cannot solve our tax problem, for example. Nor can it directly change a number of other things. But a firm dinar can do wonders in various sectors. That I have seen.

[Boarov] There are already debates about the hard dinar in connection with the so-called stimulation of production. Is this a contradiction in your program; after all, market demand is usually primed with "soft money"?

[Avramovic] Well, that is the most interesting question. In economic policy, the ideal is by instinct and skill to succeed in finding the "point of equilibrium" among the levels of wages, the foreign exchange rate, the price of credit, and the cost of government. Those are the four price blocks, and an economy is always some price or cost which has to be set properly, and everything hangs on that. A sound currency is the condition for that success. Germany, Japan, and Korea have demonstrated that.

The foundation in all these examples was an absolutely firm fiscal policy. Incidentally, the Germans also had a firm monetary policy, but for decades the Japanese had a policy of a low price of credit, but they had a budget which was treated like Almighty God. It is not a question of any particular belt-tightening, the Japanese have been borrowing a great deal for the government on the domestic money market, but confidence in the yen was immense. You thus had a fantastic situation, you dropped the parity from 360 yen to the dollar to 100 yen to the dollar, and your credits were cheap. Loose money is a substitute for mistakes in setting basic prices.

If you have a firm fiscal situation and a sound currency, then your possibilities in the field of social services are immense. Germany has proven that with its social welfare system. The great tragedy is that now they are tearing it down. Schmidt was a leftist, but a very serious man. He is not my ideal, but perhaps he resolved that contradiction among a hard currency, good social welfare, and a favorable market.

Our situation is additionally burdened, after the catastrophe, by the problem that unfortunately it is very easy to move from stability into a new inflation. As soon as you have a more lasting stability, you need not be so orthodox. But at the outset, you must.

[Boarov] You spoke about setting basic prices in some equilibrium. There are those who believe that it is very dangerous when the government touches those basic prices, and especially that basic basic price—the price of money. Particularly because Yugoslavia does not have built-in "controllers" of economic policy, by which I mean the money market, the market for capital, and other financial markets.

[Avramovic] That is a key issue. For example, we will not solve the problem of financing our public services until they become economic units with a foreseeable profit of 10 to 12 percent, which in turn would make it possible for them to go to the market for capital.

And what are the basic preconditions for setting up our financial markets? One is a firm currency, and another is resolving the issue of old foreign exchange savings. The latter is important not only from the humanitarian standpoint, but would be evidence that this government pays its obligations after all the mistakes that have been made. Savings depositors are aware how much the government can realistically pay at present, that it cannot pay much. But some arrangement must be devised to show that the government wants to discharge that debt.

When those preconditions are met, you have an ideal position for the finance minister. First, issue a bond for two years or three at 10- percent interest. And when the price of that bond jumps to 110, 120, then you are on the move, all doors are open to you, then you can conduct a policy of low interest rates without forcing things.

Unless we foul up in the next three or four months, we can arrive at a good foundation. At the same time, we should not forget that a blockade is a blockade. Money, however, "does not smell," and if you have a reputation of absolute solidarity, if the value of the dinar stands unwaveringly, and if you have an interest rate 2 or 3 points higher than neighboring states, and your wages are at the African level, capital will come.

[Boarov] You talk about solidarity, and it occurs to me to ask about the first "adjustment of the projection" of monetary policy which calls for issuing 1 billion dinars in the first quarter. That is, twice or three times as much as was planned at the outset. Were you consulted about that?

[Avramovic] No, I was not told about that adjustment. But I will simply tell you that I do not believe in any monetary projections. I think it is a disaster to project

monetary policy in advance, and the IMF has been spreading that disaster. All those projections are based on assumptions about the rate of circulation of the money. From Friedman on down there is no expert who has invented a reliable method of guessing the rate of circulation of the money.

There are a fantastic number of variables. We have been "turning over" the social product of the FRY with 60 million German marks [DM], while two years ago we did it with DM2.2 billion. To be sure, the economy almost died because of the rate of circulation.

Before those monetary models were invented, the policy of the central banks, the Bank of England, for example, was to work with small foreign exchange reserves. Every noontime, the board of the central bank meets in London and decides what to do for the next three days about the movement of gold prices and commodity prices. After all, this is not the budget, which requires annual planning. It is disastrous to equate the budget, which has fixed obligations, with note-issue policy, which is not a fixed thing. At the same level of money, depending on the conditions, you can do twice as much at certain points as at some other points.

I hope, for instance, that if we really restore confidence in the currency, we will have breathing room of one billion or two. For me, those numbers do not in and of themselves mean anything (I am speaking in rough terms, they do, of course, have significance for someone). But look at the American case: After all the disastrous mistakes of economic policy for 30 years, half of the dollars issued are sitting in foreign accounts, which means that the United States has two central banks. One is the Federal Reserve, and the other central bank consists of all the central banks in the world. It is much the same with Germany, whose currency comprises a fourth of world reserves. In such a situation, those countries have a dual financier. And what kind of "projections" are we talking about here? We are not, of course, either the United States or Germany, but if the world gains confidence that this country's leadership is not going to play with the money, that is, with the value of the currency, that is sufficient.

We are not in a situation to be overly orthodox, because of employment of the labor force. Our immense plus is that it is objectively so cheap. So if we do not manage to stabilize the budget as well, at the same time achieving a high rate of growth, in spite of the sanctions, we will have to turn the country over to the Germans and the Koreans. They will stabilize it.

[Boarov] Since the initiation of your program, there have been malicious comments to the effect that everything has become cheap except the government. Is our economy capable of supporting the planned 52-percent share of government expenditure in the social product?

[Avramovic] You know, I do not like those percentages and do not use them. None of us knows what the social product of Yugoslavia is today. There is no figure on that in the first eight pages of the program. Nothing is known with confidence. We only know that those miserly $5 billion ($2.6 billion for the first six months) are the absolute minimum we could set for government expenditure. You cannot pay lower wages, lower pensions, you cannot pay the army more miserably than we are paying now. How the army is getting by with those $600-700 million, believe me, I fail to understand. Even if there are more policemen here or there, it is all being paid for cheaply. Our solution, our key, lies in reconstruction of the tax system.

In the fiscal system we have now, there is an obstacle which, if I might so put it, I have not worked out intellectually. It is, after all, terribly illogical. The taxation of business firms in our country is not based on income, but on the firm's costs. Indeed mostly on the costs of labor, which in our country is a factor that exists in abundance. And because labor is the cheapest factor, instead of maximizing the use of labor, you multiply the price of labor by two because of taxes. So it is obvious, then, that there are problems; it is just not clear to me how this came about at all, because what is income to the worker is a cost to the firm.

When wages are discussed, the battle is therefore not waged over those 35 dinars, because it is not 35, but 200 dinars. Much the same is true of cadastre income, which is really estimated at a low level, but it cannot be taxed in advance either. After all, when business firms and farmers begin to borrow money from the banks to pay their taxes, we are returning once again to inflationary financing. This must be changed, the tax cannot be paid out of goods that have been produced, but out of goods that have been sold. Business firms are still not paying taxes out of profit, but are borrowing in order to pay them.

[Boarov] I am going back to the question of how to augment this unclear social product.

[Avramovic] And I go back to that equilibrium of basic prices. If we find the point, the plateau, the brake (fren) between the price of labor, the price of credit, the price of government, the price of public services, and if we solve the problem of old foreign exchange savings, and if production does not start up under those conditions, then I do not know when it will. Even with the blockade. After all, our domestic needs are immense.

Just one example—we have a million and a half automobiles. Half of them are worthless. That is a market to keep Zastava going for several years. And so on. Automobile production is a very important thing. Germany almost won World War II on the rise of the automobile industry. That industry has skilled workers, it has 1,500 engineers, that is not something to discard. People who

talk about going back to a pastoral economy do not know what they are talking about.

There is exaggeration in these outcries that the government should stimulate production. Do they mean that it should be buying goods? Before we advocate that the government should be ordering products to be produced, presumably there is something else that can be done with which your paper will surely agree.

[Boarov] You talk about the space on the domestic market. What are your views on certain issues of a strategic nature, which, it is true, are not on the agenda at the moment? I am referring to tariff protection of the domestic market and foreign economic strategy (East and West).

[Avramovic] As for our export policy, my view is real simple: Trade with the Devil himself if it pays.

There are no ideological issues about going out into the world. The main thing is whether you are cheap and do you have adequate quality.

On the import side, I favor protection. Not protection which will turn you into a sick man, not protection that would drive inputs of imported supplies for the economy way up, but protection. Of course, if something in the country cannot yield a profit of 10-15 percent, then it cannot be financed, there is no point in protecting it.

In principle, if you have a good exchange rate and utilization of capacity, you can look at only two prices—the rate of foreign exchange and cost. If you have a hard stable currency, if you have cheap manpower, and even then you cannot produce—then get lost!

Serbia

Milosevic Supports Peace Negotiations

LD0604190094 Belgrade TANJUG in English 1725 GMT 6 Apr 94

["Pool" item]

[Text] Belgrade, April 6 (TANJUG)—Serbian President Slobodan Milosevic supported on Wednesday peace negotiations between the Republic of Serb Krajina (RSK) and Croatia, voicing confidence that their success would mean an undoubted defeat of the war option.

During his meeting with RSK President Milan Martic and its Prime Minister-designate Borisav Mikelic in Belgrade, Milosevic underscored that negotiations were the only right way of resolving the crisis in former Yugoslavia, it has been reported. In this context, Milosevic said an overall normalization of Serb- Croat relations was of utmost importance for peace and stability in the region.

On March 30, the Republic of Serb Krajina and Croatia signed at the Russian Embassy in Zagreb an agreement on the cessation of hostilities, which took effect on April 4. The Krajina-Croatian conflict broke out in 1991 because of Croatia's forcible secession from former Yugoslavia and its decision to downgrade Serbs to a national minority, after which the Serbs proclaimed the Republic of Serb Krajina in their ethnic and historical lands. The Republic of Serb Krajina has been a U.N. protected area (UNPA) since March 1992.

The Serbian president pointed out the danger coming from certain extremists who were working against interests of the Serb people, and, in this context, mentioned the activity of some members of the Serbian Radical Party, an opposition party in the parliaments of the Federal Republic of Yugoslavia and its federal unit, Serbia, and of irresponsible groups and individuals in the RSK. "Extremists compensating for their moral and political defeat in Serbia by behaving in a barbarous way in Krajina are a serious threat to Krajina's interests," he said.

The Serbian Radical Party, headed by Vojislav Seselj and headquartered in Belgrade, maintains a very strong branch in the RSK. Last autumn, Milosevic's Socialist Party of Serbia—which is the biggest party in Serbia and Yugoslavia—bitterly criticized the Serbian Radical Party for its fascist ideas, raising paramilitary units and committing crimes in war zones in former Yugoslavia. He said it was necessary as soon as possible to push to the margin the extremist forces in the RSK and put them under control of the RSK authorities, whereas legal proceedings should be instituted against individuals who had broken the law and sunk deep in crime.

Serbs, who are proud of their heroic past, must not allow extremists and criminals to strip them of their honour—the Serbian president underscored. Martic and Mikelic advised Milosevic of their efforts aimed at peace and at stabilizing the RSK politically and economically.

Warns of 'Extremism' in RSK

LD0604144294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1306 GMT 6 Apr 94

[Text] Belgrade, 6 Apr (TANJUG)—President of the Republic of Serbia Slobodan Milosevic today received Milan Martic, president of the republic of Serb Krajina [RSK], and Borisav Mikelic, prime minister designate of the new RSK government, who informed him about their efforts to stabilize Krajina politically and economically, about the successful cooperation with collectives in Serbia, and about the peace efforts of the RSK leadership.

President Milosevic expressed his support for the start-up of the peace negotiations between Knin and Zagreb, expressing his conviction that the peace talks were the

only correct way of resolving the Yugoslav crisis and that their success would, without doubt, be a defeat for those in favor of war.

The Serbian president at the same time noted the danger of extremists and extremism, which are damaging the interests of the Serb people, and in particular he pointed to the danger of the activities of some members of the Serbian Radical Party and other irresponsible groups and individuals in the RSK. Their destructive behavior in the RSK Assembly clearly shows that the interests of Krajina are their least concern. The danger of extremists supplementing their moral and political defeat in Serbia by running amok in Krajina is a serious threat to the interests of Krajina. Hence, it is vital that these forces are marginalized and placed under the control of the Serb authorities in Krajina as soon as possible and that individuals who have contravened the law and are up to their necks in crime are brought to book as soon as possible. The Serb nation, which is proud of its freedom-loving past, should not allow extremists and criminals to tarnish its reputation, President Milosevic stressed.

Stressing that the normalization of Serb-Croat relations as a whole is of crucial influence for peace and stability in the region, the Serbian president wished the new leadership of the RSK success in its work and success in the realization of the cease-fire agreement between the Croatian army and the RSK army.

It was announced that Milan Martic and Borisav Mikelic expressed their agreement both as regards the policy of resolving disputes by peaceful means and as regards the danger of extremism, and they stressed their efforts to strengthen the legal institutions and legality.

Mirko Marjanovic, prime minister of the Republic of Serbia, also took part in the talks.

Prime Minister Marjanovic on New Budget Law

AU0604200994 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 6 Apr 94

[Interview with Serbian Prime Minister Mirko Marjanovic by Ivica Milosavljevic in Belgrade on 6 April—recorded]

[Text] [Milosavljevic] The proposal of the law on budget was endorsed at the session of the Republican Government today. We asked Mr. Mirko Marjanovic to give an exclusive statement on the occasion for the Radio and Television of Serbia.

[Marjanovic] Well, this is as follows: The proposal of the law on the budget of the Republic of Serbia for 1994 was drafted in conformity with the basic program of monetary reconstruction and the strategy of economic development of the country, and particularly in conformity with the government program adopted at the latest session of the Serbian Assembly when the Government was approved. One should also stress here that, according to the proposal of the law on the budget for 1994, public spending in Serbia is lower by more than 30 percent compared to the planned level of public spending in the consolidated balance on the level of the country. Now here is what that means: That means that the planned deficit in the basic program has been reduced from 1.9 billion dinars to 780 million and we can claim with full confidence that we have completely realistic sources of income for covering this budget deficit. We can also claim with confidence that with this reduction of public spending by almost two-thirds we have established a basis for a normal program and for the realization of the program of economic recovery of the country.

I can also stress here that the social program for Serbia was also included in the budget and that with the basic principles and strategy of the budget established in this way, we in fact enabled the further removal of the burden on the economy and citizens, which should also be pointed out.

Renewal Movement Predicts Early Elections

LD0704115294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1057 GMT 7 Apr 94

[Text] Belgrade, 7 Apr (TANJUG)—Ivan Kovacevic, spokesman of the Serbian Renewal Movement [SPO], said in a statement for TANJUG today that it is quite possible that federal elections will be held, and added that he believes it will be soon.

Kovacevic believes this will be "yet another trick" of the Socialist Party of Serbia which, he believes, wants to retain the existing, completely unjust electoral system.

"The Socialists would like to use this move to prolong their authority, despite the fact that two-thirds of Serbia's citizens do not vote for them," the SPO spokesman said.

Surplus Workers Urged To Return to Villages

94BA0220C Belgrade NIN in Serbo-Croatian 4 Mar 94 pp 30-31

[Article by Tanja Jakobi: "When the Illusions Die"]

[Text] "Approximately 180,000 people, representing the technological redundancy in the economy of Serbia, could immediately move to the country," the deputy director of the republic labor market has said. Dr. Zoran Popov, member of the coordinating body for implementing the anti-inflation program, who is responsible for social welfare issues, laconically stated that those who go back to agriculture will be far better off than those who stay in the city. He added that 250,000 out of the 2 million employees in the socialized sector of the economy possess an average of seven hectares of land. And that, it seems, is that: The half-breeds should simply pack their suitcases and go back to their native village.

Dr. Dragoslav Avramovic, professor, whose team includes Dr. Popov, never misses a chance to say that no one will be left without a job and put out on the street. Jovan Zebic, federal deputy prime minister (responsible for carrying out this program), has said that amendments of the law will soon be examined making it possible for enterprise directors to rid themselves of technological redundancies more easily, but only to a maximum of 20 percent of the total labor force. The Serbian Government (whose task it is to put the measures in its domain in operational terms) has extended the validity of the current decree on mandatory leave to 31 March and left it to the new government to rack its brain and leave office because of the worker dissatisfaction that is in the offing.

In the meantime that part of Avramovic's program which said that the surplus of employed persons in the economy is estimated at a million people has been "edited." Forecasts are now being mentioned stating that in the second half of the year 300,000 people would be on mandatory leave, as many again would be the "employed redundancy," accompanied by the cloudy remark that in the first half of the year that ratio was somewhat less favorable. The suitcases of the half-breeds, then, can stay where they are at least two months more.

The Mistake

Just as a law was passed a few months ago whereby everyone who has a private firm and works in the socialized sector must urgently give up one or the other fired up the "small fry" (owners of firms that exist on paper) and caused a stampede in front of the registration courts, so this idea of purging the "sluggish socialist economy" has caused static. The half-breeds—fearing to lose their jobs, are saying that the land is not actually theirs, and the "city dwellers" are exulting in secret.

There is some economic and social basis for referring to the half-breeds as a category that can be "displaced" from the factories most easily and painlessly. An analysis done in the Economics Institute in Belgrade shows that in the dramatic stratifications of population over the last 15 years, and especially over the last three years, the nonfarm and purely agricultural households have been impoverished the most, while the half-breeds suddenly escaped poverty. Most of the half-breeds come from households that have at least the average landholding, and very few of them have small parcels.

A few other figures support the position of the government: In the breakdown of the income of these households, 45 percent comes from regular employment, while the remainder is income from a shop or from a farm. Ergo, the half-breeds have already created a second and stronger source of income. Third, the half-breeds by and large have lower qualifications, so that it is easier for the firm to do without this kind of manpower. Finally, the government (and society), in view of investments in their education, is losing less by their return to the country than through the "brain drain" of highly trained personnel.

"The return of the half-breeds to the country is a frivolous idea and completely unfeasible if we preclude repression," is the categorical assertion of Dr. Mladen Stojanov, professor of rural sociology at the School of Agriculture in Novi Sad. "The half-breeds are people who work somewhere and have a bit of land or some tie to the country. It is certain that they will strengthen their ties to the country, but they will not leave the city."

The Misunderstandings

The hard logic of capital, Dr. Stojanov explains, says that agriculture has been and still is a subsidized sector, and there is no chance of its becoming so profitable that it would "outstrip" the city. "It is only the airheads and the burghers in the city who tend to think: 'You have carrots, you have potatoes, life is easy for you.' Those are misunderstandings."

Professor Stojanov is given indirect support for his position by Dr. Petar Markovic, another professor who teaches in the School of Agriculture in Belgrade. In an open letter sent to Prime Minister Kontic, he warns that "rural life is being extinguished because for decades income has been taken away from agriculture and because of a number of unresolved issues related to the status of farmers, land policy, and settlement," and in demographic terms rural areas are being depopulated. So, there is no economic interest in going back to the country.

"All our experience last year," says Dr. Mirosinka Dinkic of the Economics Institute in response, "shows that those workers who were sent on mandatory leave and had land in the country have themselves and without pressure turned to farming, behaving in accordance with their own sound economic interest, and thanks to that they have preserved their standard of living."

When she speaks about the return of the half-breeds to the country, Dr. Dinkic is primarily thinking of the smaller cities in Serbia and their industry, which was in fact conceived in order to employ the rural population. That "subspecies," as we might call it, of half-breed (by contrast with those in Belgrade, for example, who have built houses on the outskirts of the city, but their farms are somewhere in the south of Serbia) already lives in the country, has up to now been commuting to a nearby city to work in a factory (Gornji Milanovac, Kragujevac, Cacak, Backa Palanka), so that it was engaged in production work in the first part of the day and farm work in the latter part. "Why should these people not devote themselves exclusively to farming, at least temporarily, now that the situation in industry is so difficult? The idea of the program is not repression nor distributing pink slips, but for the person who is receiving the minimum compensation from the budget and has social security to

decide himself whether he will go into the private sector, say, or to what is perhaps closer to him—farming. In that case, the government could stimulate this process by exempting those who return from the tax on cadastre income," Dr. Dinkic said.

Because the average mixed household has four members and in a third of such households both adult members are employed in a socialized firm, it would be enough for only one to return to farming, while the other could maintain ties to the city. In the opinion of Dr. Dinkic, there is no reason to overlook Belgrade either, because most of the half-breeds are mainly employed seasonally on construction work, they usually do not bring their family to the capital (so the problem of educating the children is not raised), or at the least they have parents in the country.

"In order to create space for those people to go back to the country, they would have to have plots larger than 50 hectares, not three hectares, which is the average for Serbia, and a great deal of startup capital, which they do not have," Dr. Stojanov said.

Prof. Jeremija Simic of the School of Agriculture in Belgrade points to another dimension of this problem: 60 percent of the manpower in Yugoslavia comes from mixed households and for precisely that reason they have been able to withstand the crisis, and the entire society thanks to them. "Why would any of them at this point want to change that position of theirs, which is not good, but tolerable, for a position that is worse?" Professor Simic asked.

"So long as the process of going back to the country is a spontaneous and individual act, that is fine. But a large-scale return to the country is a process that has not been recorded anywhere in the world. Any directive from the government, however well-intentioned it might be, would be dangerous. Here is why: Let us assume that a worker in a firm has high qualifications and land, while another does not have a farm and has low qualifications. In that case, is the firm supposed to get rid of the expert, only because he has some other income, and commit itself to the social welfare approach and hold on to the one who is not contributing to the work process, but would be a welfare case if he left the firm?" Contrary to the proclaimed goal of the anti-inflation program—to move social welfare out of the economy, Professor Simic believes that both the firm and government must conduct some kind of social welfare policy. He cites Sartid 1913, which has turned from castings to raising mushrooms, as an example of how the technological surplus can be employed, but in close relation to agriculture. "Other firms might also lease land for their workers and engage in the production of medicinal herbs, the raising of mushrooms, or fish farming," NIN's informant proposed. "Aside from the natural factors, live manpower is our only resource, and instead of the idea of a return to the country, we should turn toward production programs which seek intensive activation of manpower."

Montenegro

ΩResistance to Military Service Examined

94P20602A

[Editorial Report] South Slav media have been carrying reports that the Yugoslav military leadership has become increasingly worried about troop morale. Fewer and fewer soldiers are going to war voluntarily, and the authorities in Serbia and Montenegro have had to resort to forceful mobilization of Serb refugees. Commenting on this issue in a 3 February interview on Sarajevo radio, Bosnian President Alija Izetbegovic said that the Yugoslav military may be suffering a "shortage of manpower" and having problems with "the morale of that manpower."

In the 17 March issue of the Ljubljana daily DNEVNIK, the Slovene Press Agency [STA] reports that few conscripts are responding to call-ups in Montenegro. Many of them obtain medical certificates attesting that they are physically incapable of serving in the armed forces. Quoting the Podgorica weekly LIBERAL, STA states that such false medical certificates are sold by draft officers at a high price, adding that many reservists prefer going to jail to enlisting for the "defense of the fatherland." According to the report, the military police are quite active, picking up draftees on the streets and delivering them to military barracks.

STA reports that the "action" is supposedly coordinated by Major Veselin Sljivancanin, a "man on the wanted list" and the "hero of Vukovar." As commander of the 5th Motorized Brigade of the Podgorica Corps, he is also in charge of all Montenegrin draft boards. According to "well-informed sources," he was sent from Belgrade to Montenegro to "put military affairs in order and raise the morale of the military." "Other sources" claim that his assignment is to prevent the possible secession of Montenegro from the Federal Republic of Yugoslavia, if necessary by utilizing the "methods he employed in Vukovar." Examining his role in Montenegro, the 5 November issue of the Podgorica opposition weekly MONITOR concludes that Sljivancanin, "a lover of the Socialist Party of Serbia" and a proven fighter for the "Serbian cause," had been sent to exert "federal" pressure on the Montenegrin Government. Although he was allegedly received "cooly" by his immediate superior, General Milorad Obradovic, MONITOR reports, many people feel that Sljivancanin might remain in Podgorica permanently, while others believe that his assignment must be viewed as a "temporary solution" within the context of personnel changes in the Yugoslav Army.

Kosovo

Life for Serbs, Albanians in Kosovo Contrasted

94BA0220B Belgrade VREME in Serbo-Croatian 7 Mar 94 pp 26-29

[Article by Perica Vucinic: "The Kosovo Academy of the Deaf"]

[Text] The most recent Serbian-Albanian ambiguity in Kosovo: On Wednesday, 23 February, the authorities shut down for good the Kosovo Academy of Sciences and Arts [KANU] and moved in the association of the deaf. This act was interpreted on the Albanian side as "yet another repressive act of the authorities, a smothering of the right to authentic culture," while the Serbian authorities saw it as a manifestation of the law-governed state, that is, implementation of the decision under which the KANU is a branch of the SANU [Serbian Academy of Sciences and Arts] and under which the title of member of the academy is obtained by the standards of the parent academy in Belgrade. If the dispute between the directly opposed sides is viewed from outside, this creation of an "academy of the deaf" seems like cynicism.

Life in Kosovo, however, does not take place between those two signs. It is in them. Albanian life, which is manifested above all in education, the socialization of one's own life, sports, and business, and Serbian life—personified in administrative authority, the police, financial oversight agencies, and the economy, which is mainly in the socialized sector and dead. The stories about the "divided corso in Pristina" are old and pathetic. The Serbs and Albanians promenade in their own sections of the city—the former in the center, the latter in Capi (in Serbian—Neck). What they have in common is garbage, which seems surreal, there is so much of it. And no one is collecting it.

Operating in parallel, the self-proclaimed Albanian Republic of Kosovo (recognized only by the state of Albania) and the Republic of Serbia give the appearance that they are functioning and are legitimate, and, one would say, they are making an effort to preserve those illusions. In order to protect their proclaimed exclusive sovereignty on this territory, the Serbian authorities have not terminated the fiscal policy of the republic of Albanians, which requires every Albanian private operator to pay into the budget 5 to 10 percent of his net income, but by way of sovereignty it also collects the tax. In the Sami Fraseri High School, teachers are not sure whether their work is legal or illegal, and the same dilemma seems to be bothering the police, who 100 meters away from the school watch the river of children returning from school.

The Law-Governed State

"The law-governed state is functioning. Kosovo is increasingly stable, public peace and order are better than at any time up to now, anarchy has been averted," says Dr. Milos Simovic, president of Kosovo Okrug. At the same time, he also says that "the Albanians are boycotting the entire system" and that "they are internationalizing every problem they have."

"The Albanians have conquered Kosovo and Metohija [Kosmet] economically. Time is on their side, and we are happy that there is no shooting here, that we can say that Kosmet is an integral part of Serbia," says Tomislav Sekulic, people's deputy and one of the most distinguished Kosovo Serbs, who is dissatisfied.

Typically for Kosovo Serbs, both Dr. Simovic and Sekulic would say that Kosovo is not lost, but what every Serb shrinks from is Albanian capital, which, again "typically for their nationality," they estimate at 95 percent. "We had an economy in our hands and we gambled it away," Sekulic says. "Trepca is not operating, it has turned out that it could operate in the hands of the English before the war, in the hands of the Germans during the war, in the hands of the Albanians after the war, but for all practical purposes it was shut down by the Serbs. In actuality, incompetent Serbs."

Since a state of emergency was declared by the Republic of Serbia, economic facilities in Kosovo have died. Trepca was producing 100,000 metric tons of lead in ingots, 40,000 tons of electrolytic zinc, about 100 tons of silver, 30 tons of bismuth and cadmium.... Depending on the situation on the London Exchange, it was earning between $100 and $150 million a year.

The economy and the infrastructure, in which, according to Sekulic, nearly $10 billion were invested between 1965 and 1990, are going to ruin. Kosovo abounds in fenced-off lots in which there are only watchmen for the construction cranes which do not operate, structures that look like empty stables.... "When what was needed was intelligence, the profiteering spirit was operative," says Sekulic, who sees the devastated Serbian government-owned economy as a victim of private appetites, which are gnawing it away.

In the process of ownership transformation in more than 100 of the largest Serbian enterprises in Kosovo over the last three years, the Fund for Development of Serbia, without any additional investment, has transferred the majority share of public capital to the fund or related firms in Serbia, and in all the transformations the fund or firms have become majority owners. And in a meeting of the fund held in Pristina last November, it was concluded that "the technological level of installed capacity in Kosovo exceeds the quality of equipment of firms in Serbia and exceeds the needs of the Kosovo economy." In that meeting, there was an initiative to "move" the technological equipment from Kosovo to a "defined space." Since control over Kosovo's economy was taken over, more than 100,000 workers of Albanian nationality have been discharged from the government sector on various grounds, according to Albanian estimates. Which is why the Albanians are not so careful as Sekulic in separating the honest from the dishonest Serbian government- appointed enterprise directors. They are more inclined to say: "See how the Serbs are running the economy!"

The private sector in Kosovo—about 10,000 firms—is mainly in the hands of Albanian citizens. According to unofficial, but competent sources, last year that sector

possessed 8.33 percent of the total capital committed in the Kosovo economy and produced about 30 percent of the total gross product and realized about 45 percent of the total earnings of the Kosovo economy.

In none of these figures do we see the one about 95 percent of the capital being Albanian; however, workers abroad have been contributing to overall Albanian wealth. Depending on tactical political needs, the number of Albanians living and working abroad varies in political statements between 250,000 and 500,000. According to Naif Zeka, Ibrahim Rugova's adviser for the economy, with the 3-percent linear tax which these workers pay the so-called Republic of Kosovo, they are furnishing 35 percent of budget revenues. Aside from the budget, they are supporting or helping members of their household who have remained in Kosovo. Naif Zeka says that 22,000 families have been receiving regular social assistance and 36,000 occasional assistance. Nevertheless, most of the money is going to the schools. According to the figures of Dr. Dzavid Ahmeti, Dr. Rugova's adviser for education, the parallel Albanian-language educational process involves 274,000 elementary children, 64,000 high school students, and 16,000 university students studying under about 20,000 teachers.

Settlement

The financial superiority of the Albanians is offered to the "naked eye" in the form of luxury cars, elegant restaurants, exclusive shops, and white satellite antennas which irritate the Serbs as they were once irritated by the traditional white Albanian skullcap. They say that they were installed to receive the satellite broadcasting from Albania. And probably that was the motive for buying the antennas, but aside from two hours of Albanian programming, the Kosovo Albanian is offered another dozen West European channels, whose influence is noticeable in the school, on the street, and probably in the home.

Demographic growth is the other fear of the Kosovo Serbs. The estimates of both Serbian and Albanian demographers, which are that in 50 to 60 years the two nationalities will be numerically equal in the Republic of Serbia—encourage the one and frighten the other. That is why the topic "settlement of Kosovo" is the most frequent one among Serbs.

The Serbian national bloc is seeking a solution by speeding up settlement and financial incentives for returnees. In the Statistical Bureau in Pristina, we were not able to get a figure on migration, because the bureau no longer has jurisdiction over that. The last figure on the number of those moving in and moving out was recorded by Jedinstvo of Pristina at the end of the first quarter of last year. "Incoming" was one (1) greater than "outgoing."

Dragan Icic, president of the Association for Settlement of Kosmet, is announcing a rally for collective settlement. "Immense money has been spent to build 184 housing units for returnees, but there are neither the housing units nor the returnees," Icic says angrily, adding that the closest relatives and friends of "the powers that be in Kosovo" have moved into those housing units.

The president of the association says that the demonstrators at their rally will seek accountability for many things. Among them, who sold to the Albanians the housing units that were purchased and who does not like the program for settlement of Kosovo and why?

At the entrance to Pec from the direction of Decani, a lad has slung a semiautomatic on his back. In his hands are a duffle bag and boots. He obviously has just been issued that equipment. From the way in which he wears it—nonchalantly—in the overflowing suburb, he obviously believes that he has found the right weapon against the Albanian demographic bomb.

However, Ismailj Redzepi, member of the Presidium of the Democratic Alliance of Kosovo, does not believe in the demographic forecast most frequently presented. "The Albanians are moving in other directions, and the demographic growth is settling down, but demography is a good thing for short-term political manipulation," he says.

"The thesis about a demographic intersection of Serbs and Albanians in Serbia in the near future is mentioned in every connection, but I would say that false conclusions are being drawn from false premises, because no one knows for certain how many Albanians there are in Serbia," is the opinion of Dr. Dragisa Velickovic, professor of the theory of economic development in Pristina. On the basis of the drastic difference between the 1961 Census and the later ones in 1971 and 1981, he doubts the validity of the latter. He considers it a mistake to project the growth of the Albanian population at present rates, because, he says, "the Albanian population is just ending the transition phase, and in 10 years at the latest that population will have a growth rate between 1 and 1.5 percent." Velickovic explains his forecast in terms of the Europeanization of the former communist oligarchy, which has become an entrepreneurial oligarchy, and the desire of young Albanians employed abroad to become entrepreneurs; previously, they invested their capital to build large houses for communal living, but now they invest in private business. Dr. Velickovic goes on to say that the space of Kosovo-Metohija is overpopulated, and more striking than the demographic figures is his datum that the streams which Kosovo possesses allow it to "maintain" two and a half million people at the most.

No one has as yet made public the "frustrations over water supply." Aside from the Albanian superiority in money and population, the Serbs are also disturbed by

the military power of the West, which they fear might help the Albanians, and the Albanians are disturbed by the Serbian military power. Azem Vlasi, former politician, who is now a lawyer, says that the logic of force is the only logic of Slobodan Milosevic, and he is disturbed not so much by that logic as the fact that the "president who arrested him" is unable to govern without problems. In the Serbian political bloc, no one believes in war as a solution.

Dr. Simovic, who heads the okrug, finds the reason for this in the fact that the Serbs and Albanians have never waged war directly with one another and the fact that the latter would never dare to destroy their population and capital. This way of thinking is typical of the Serbs. "Last year, I issued them 130 permits to open gasoline stations. These are all facilities worth between 250,000 and several million marks, and when someone opens one, he certainly is not preparing for war," says Milan Jocic, director of the Provincial Fund for Water Resources.

The Serbs do not think that they could be the ones to blame for war, nor do they believe that the Albanians would start it. The latter, meanwhile, think that after Croatia and Bosnia and in the international situation, which is not inclined toward Serbia in the least, it has had enough of war-making adventurism. However, the two sides have not found a way to communicate even that little bit to each other officially and publicly. There is no dialogue, as if this were a curse of the newly opened "academy for the deaf." In the meantime, two national councils, both of them closed, are continuing to live alongside one another, and they cannot agree even to collect the garbage.